

**Writing Reports: A Journey to the Next Level**

**12/06/2023**

**Training Description:** This course is designed to help auditors learn techniques and methodology to communicate problems, risks, and opportunities to key stakeholders. You will learn the key pieces of an audit finding, including how to weave in risk, impact and materiality which will help Management discern why they care about the finding in question.

**Participants will:**

- Obtain an understanding of key risks and materiality in relation to audit findings.
- Identify tools and techniques to communicate problems, risks, and opportunities to key stakeholders

Participants will earn **2 CPE credits**

**Field of Study:** Specialized Knowledge

**Additional Information**

**Prerequisites:** There are no prerequisites for this session.

**Advanced Preparation:** None

**Program Level:** Basic

**Delivery Method:** Group Live



# Frank Hansen, CPA

Blg #1

Internal Audit Director

BBA in Accounting and International Business (Temple University)



## Work Experience:

- 15 years of Internal Audit experience across the pharmaceutical supply chain, medical device, telecommunication, and electric utility industries
  - 7 years at AB leading and managing financial and operational audits and data analytics projects
  - Other relevant employers consist of Olympus Corporation (medical devices) and PwC



## Professional Skillset:

- Team subject matter expert in:
  - Identifying source data and designing data analytics using Alteryx and Power BI
  - Auditing in SAP Environments
- Process and efficiency oriented critical thinker with a problem-solving mindset
- Experienced storyteller and relationship builder



## Hobbies:

- Being a Dad and coming up with bad dad jokes
- Do It Yourself home Improvements and light wood working
- Nerd – Fantasy and Sci-Fi genres



## Key Accomplishments:

- Successfully led and supported audits of key initiatives and new system implementations using data driven audit approaches
- Led development and implementation of AB IA's first active auditing program
- Developed impactful, value-add scorecard for DSCSA technology readiness
- Mentoring industry colleagues through participation in the HDA Mentoring Program



## Career Aspirations:

- Continuing to build relationships, improve processes, and add value at AB across the enterprise
- Help the AB Internal Audit team reach being recognized as a Trusted Advisor by our business partners

# James Taylor (JT)- IT Audit Director

JT joined the Internal Audit Organization of AmerisourceBergen in April of 2021. He is an IT risk leader with over 19 years of experience across the Telecommunications, Protein Distribution, Pharmaceutical Distribution and Architecture industries.

Prior to joining AB, JT was the Internal Audit Director of Cyber Risk Analytics at Comcast, where on behalf of the CISO, he worked across the IT organization to continuously monitor cyber data to reduce IT risks across seven IT domains and 500,000 IT Assets. As head of Internal Audit Risk Analytics at Verizon for 8 years, he led a team of Data Engineers and Visualization experts to enhance over 150 audits leveraging billions of records and created IT continuous auditing. In addition, his team completed high profile multi-billion-dollar assurance requests for the CFO including providing assurance for Wall Street Earnings Release Certifications.

Other experiences include leading Global IT Audit in the Protein Distribution Industry where he performed IT risk assessments on four continents in Brazil, Australia, UK and the US as a Pre-IPO readiness assessment.

JT was a presenter at the national ISACA conference “Technology Audit: The Road to Machine Learning & Artificial Intelligence.” Other presentations included, “Building Internal Audit’s Culture of Data Analytics” and the “Importance of Developing Character to Being an Effective Leader.” JT holds a Master of Science in Information Systems, is a Certified Information Systems Auditor (CISA) and a Certified Data Privacy Solutions Engineer (CDPSE).



## Stephen Rodbourn – Internal Audit Director

Stephen is an Internal Audit leader with 25 years experience across the pharmaceutical supply chain, industrial manufacturing, and global agribusiness sectors. He joined AB's Internal Audit in June of 2021 following their acquisition of Alliance Healthcare, where he worked for the prior five years.

Prior to this, Stephen was Global Internal Audit Director at Rexam PLC (a British-based multinational consumer packaging company headquartered in London with 55 plants in over 20 countries across Asia, Europe, North America and South America) where he implemented a departmental change program and new risk-based approach at a major FTSE 100 company undergoing SAP transformation and eventual acquisition by Ball Corporation.

Stephen's other experience includes seven years in Switzerland with Syngenta AG, a global provider of agricultural science and technology responsible for planning, scoping and executing risk-based audits and global supply finance reporting.

As a team coordinator at KPMG he performed forensic accounting, and at PwC London he served on the Volcker Commission conducting a forensic investigation of Swiss banks. This included supervising the analysis of the Swiss bank's physical and electronic archives.

He holds a Master of Arts in Modern Languages (German and French) from the University of Oxford and is a Fellow of the Institute of Chartered Accountants, Certified Internal Auditor and Certified Fraud Examiner.

Stephen is an avid soccer fan and lives in London with his wife, his daughter and son.



**Kevin Basden**  
Partner

### **Expertise and Responsibilities**

Kevin is a partner in PwC's Risk & Regulatory practice and focuses primarily on health industry organizations. Kevin serves as a Trusted Advisor and has responsibility for all aspects of client service at his clients. Additionally, Kevin is recognized as a subject matter specialist in the areas of internal audit, Sarbanes-Oxley (SOX) compliance, risk management, and internal controls.

Kevin has approximately 20 years of experience and today, his responsibilities include leading US and global teams in performing risk assessments, SOX scoping, internal controls design and implementation, SOX control testing, internal control optimization, and internal audit plan development and execution. Additionally, Kevin serves as the Lead Client Partner at one of PwC's Fortune 100 clients. Kevin has other leadership responsibilities at PwC and is involved in recruiting, staff development, mentoring, and more. Kevin is active in the Philadelphia community through non-profit board member roles.

### **Professional Qualifications / Boards**

- MS in Accounting, Villanova University
- BS degree in Accounting, Rowan University
- CPA licensed in Pennsylvania
- Board Member, Philadelphia Mural Arts Program (Audit Committee Chair)
- Advisory Board Member, Rowan University Accounting Department (Recruiting Committee Chair)

(267)-271-9508  
kevin.basden@pwc.com

## Bio #5



**Peter Taylor**  
Sr. Manager

### **Expertise and Responsibilities**

Peter is a Sr. Manager within PwC's Cyber, Risk & Regulatory Health Industries practice. During his time with the firm, he has 8+ years of experience working with global companies in various industries including technology, consumer products, and pharmaceuticals. Peter's experience includes managing global internal audit engagements at his clients where he has focused on leading and performing internal audits, Sarbanes Oxley readiness and compliance assessments, and other internal control assessments. His experience also includes performing risk assessments and scoping activities related to internal audit planning and Sarbanes Oxley compliance programs.

### **Professional Qualifications**

- MS in Accounting, Rider University
- BS degree in Accounting and Finance, DeSales University
- CPA licensed in Pennsylvania

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peter.taylor@pwc.com

# Cencora's journey to next level reporting writing

December 6, 2023



# Agenda

1. Where we are today and the roadmap to the next level
2. Meaning of a word
3. The value of a report
4. Current Guidance
5. Report creation activity
6. GenAI's influence





# Let's start off with some quick questions

What are the various types of documents we send out in official communications?

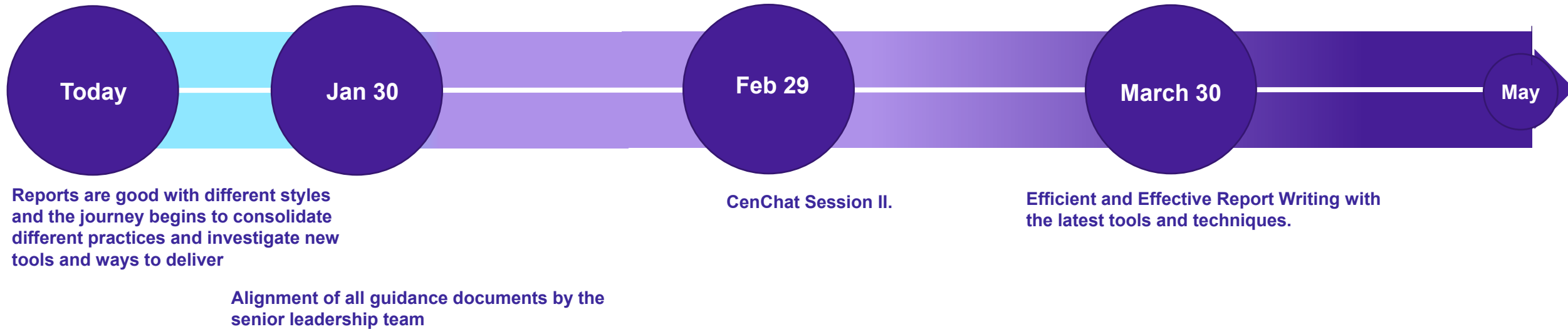
How many reports or memorandums did we send last year?

How many words should a report have?

# Our Timeline for Next Level Report Writing

## Top Areas of "Focus"

- A. Alignment of various teams guidance documents to two documents. Guidance for Alignment of Quality Checklist, Quality Review Process, How to write a great Executive summary, How to communicate and draft findings
- B. Alignment to all best and leading industry practices
- C. Using CenChat for improved efficiency
- D. Using Cenchat for improved quality.





**Meaning of a word?**

# The Golden Circle - focus on the WHY



**WHAT**

Every organization knows **WHAT** they do. These are the products they sell or the services they provide (e.g., audit reports)



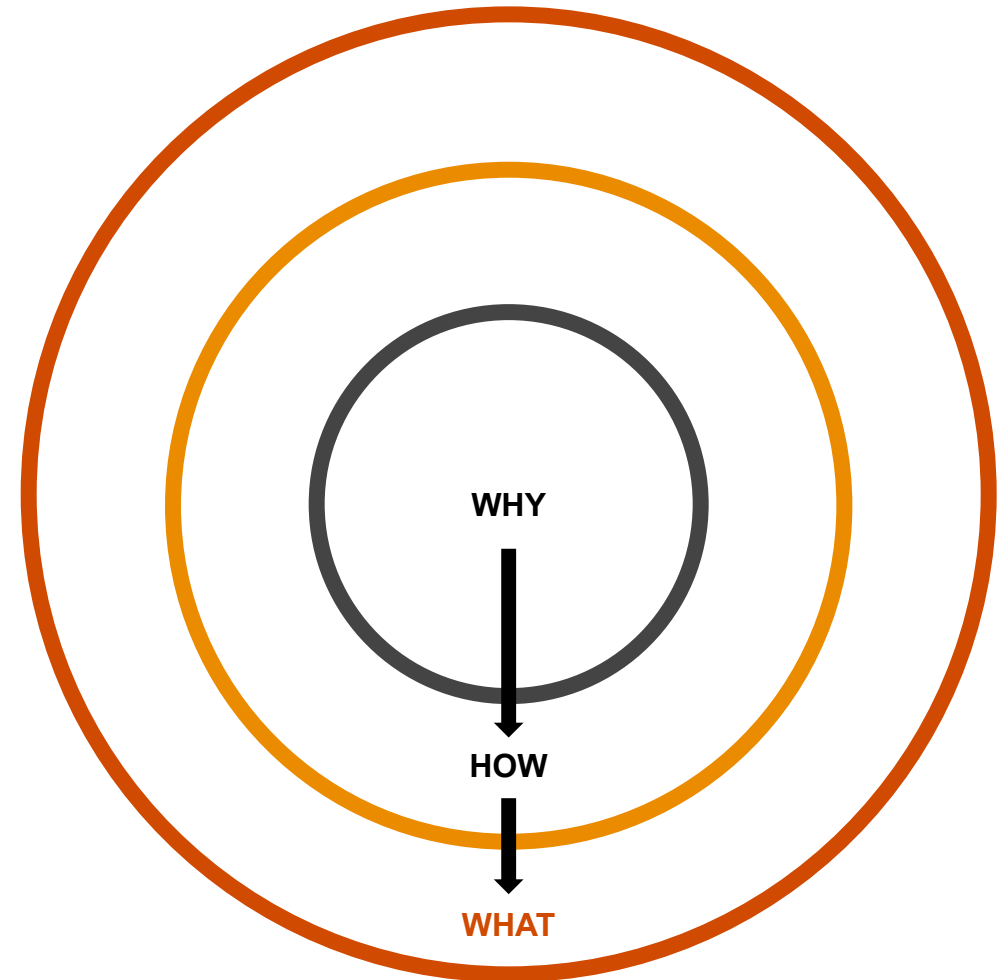
**HOW**

Some organizations know **HOW** they do it. These are the things that make them special or set them apart from their competition (e.g., use of data analytics or automation as part of audit procedures).



**WHY**

Very few organizations know **WHY** they do what they do. **WHY** is not about the product or result. **WHY** is a purpose, cause or belief. It's the very reason your organization exists, and you do what you do.



# Consider your IA reports as your greatest asset!



# Internal Audit Report Writing

## Current Guidance



Internal auditors must communicate the results of engagements. However, the format, content, and timing of such communications may vary by organization and engagement type.

**IIA Standard 2400:  
Communicating Results**



# Remain relevant through how you tell your story!

To keep your audience engaged, audit report formats should be **revisited every year or two**. And when you update, consider new ways of presenting existing ideas.

No longer are we tethered to long paragraphs and verbose explanations. We can communicate just as effectively in **words, graphics, and colors**.

Source: MIS|TI Article

Audit Writer's Hub: 7 Steps to Overhaul Your Audit Report

# Know your reader!

Bear in mind, studies show that the average time a reader initially spends with something in the written form is **3-5 seconds**.

The reader wants to determine as soon as possible if they care or not about what's being said.

Source: MIS|TI Article

How to Write An Audit Report that Gets Results



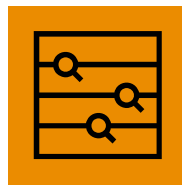
# Making the most of IA reports

Fundamentals <i>(Based on IIA Audit Reports Practice Guide and Implementation Guides)</i>		Leading Practice
<b>Executive Summary</b>	<b>Clear and concise</b> overview of the engagement results to efficiently deliver critical information with a persuasive, well-substantiated <b>key message</b> to stakeholders. Should not contain technical jargon or internal audit methodologies.	<ul style="list-style-type: none"> <li>● Accurate, fact-based</li> <li>● Risk-based, relevant</li> <li>● Clear, concise, simple</li> <li>● Visual</li> <li>● Make your best ideas stand out</li> </ul>
<b>Objective, Background, Scope &amp; Approach</b>	Communications must include the engagement's objectives and scope. Scope defines <b>specific processes, risks, business units and time-period</b> . Defining out of scope areas is recommended. Relevant background and key metrics provide <b>context</b> to the reader. Approach can provide <b>clarity</b> on extent of testing (i.e. inquiry, observation, inspection, reperformance).	
<b>Observations and Management Action Plans</b>	Observations should include the <b>condition, criteria, cause, effect, and rating</b> ; be supported with evidence, brief and organized, and in <b>simple</b> language. Recommendations and/or action plans must be included in the final communication and should provide a practical, <b>feasible solution</b> with owner and due date.	
<b>Insights</b>	Stakeholders look to internal audit to <b>provide value</b> through insights, which are primarily communicated through Internal Audit reports.	
<b>Distribution</b>	The distribution of the report must be directed to the intended recipients and disseminated to the <b>appropriate parties</b> who can ensure that the results are given due consideration. Written reports may be structured for multiple types of recipients, or more than one type of report may be needed based on <b>stakeholders' needs</b> .	

# Transforming Internal Audit Reports

In a flexible, value & risk driven environment, not all audits will look the same, and neither will the outputs.

## Trends and Types of Reporting with Example Activities & Audience:



### Compelling Audit Reports

- **Activity:** Data enabled audits
- **Audience:** AC & Auditee
- **Content:** All business & risks insights



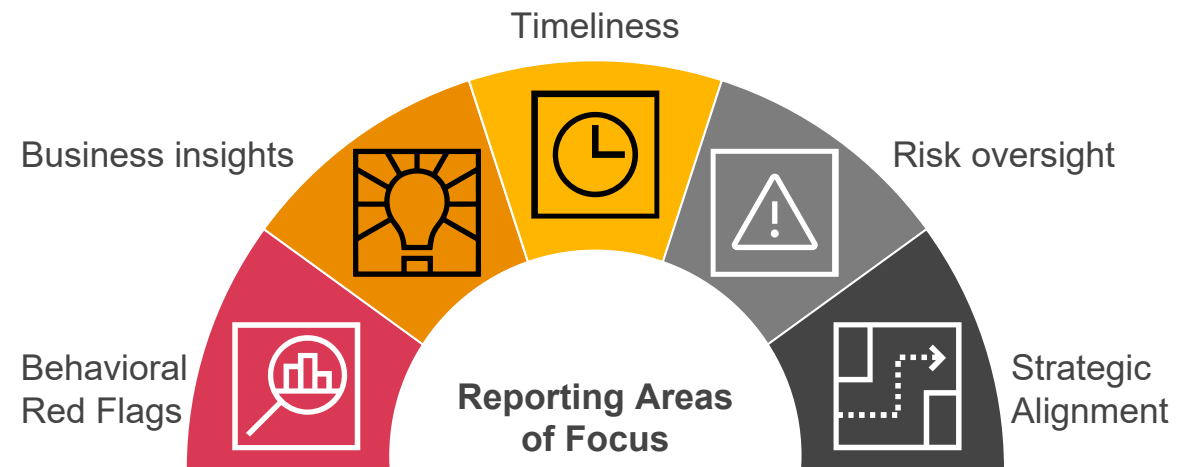
### Memorandums

- **Activity:** Health checks and advisory projects
- **Audience:** Executive Management
- **Content:** High impact findings and recommendations



### Data Insights (Visualization/dashboards)

- **Activity:** Assessments/Insight workshops (AIWs)
- **Audience:** Management
- **Content:** All business & risks insights



### **Value in using data and enabling reporting:**

- Assets used for reporting can be used beyond audit, and defines structure for items to be highlighted
- Collaborative output from auditor and auditee with a key focus on value, risks and insights.
- Allows for timely and frequent reporting

# Impactful Audit Report Writing

Creating the right meaning and perception through audit report writing

# What style best describes your style?

## Pro's

### Get to the point

- Does not waste space and words to state the main message

### Give your opinion clearly

- Brings the point of view to the front and center
- Does not beat around the bush

### Focus on impact, not features

- Delivers the “what” and the “why,” not the “how”

### Be specific

- Accurate, fact-based statements supported by data
- Supporting statements are clear, concise and simple

## Con's

### Over-writer

- Uses too many words
- Usually goes on and on; message can be more concise

### Call me “Cloudy”

- Message is buried and appears to have no purpose and no point
- Attempts to deliver message have failed

### Dr. Starch

- Too formal and not natural
- Message contains a lot of technical words, jargon



# Say your main point first

## **Subject: final phase update**

The project is now entering a critical phase, and there are a number of decisions to be made, particularly with regard to timing around the phasing of the LTI system, in order to achieve a continuity of service. We have a very good record with regard to deadlines on this project and it is key that this remains so now – even though how busy all the team is. Recent update gave provisional dates, and some of you will have questions about what is specifically required at a number of those milestones, particularly in the light of new team members joining to co-ordinate the Germany rollout needs. Therefore, proposing a meeting for [TIME]am EST on Wednesday and requesting everyone to join.



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# Give the opinion clearly

The key factor is being able to identify the strengths that would enable establishing a leading position in what is perceived to be the evolving landscape of the next decade and also then communicating a clear and compelling rationale to investors, broader stakeholders and the population of talent which underpins the industry.



The key factor is being able to identify the strengths that would enable establishing a leading position in what is perceived to be the evolving landscape of the next decade and also then communicating a clear and compelling rationale to investors, broader stakeholders and the population of talent which underpins the industry.

The industry is changing. You need to identify your strengths and build your strategy around them. But only if you communicate that strategy in a compelling way to investors, stakeholders and the talent in the industry, will you stand out as a leader.

# Focus on impact, not features

We have a five-stage reporting process which is implemented at key touch-points in the life-cycle of the project.



We have a five stage reporting process which is implemented at key touch-points in the life-cycle of the project.

We'll give you the information you need to make your decisions, at the right time, with our reporting process.

# Be specific

We have concerns about the implementation phase. We found extensive exceptions in the implementation controls, which may prevent a seamless transition and lead to unnecessary disruptions as well as require significant investment.



We have concerns about the implementation phase. We found extensive exceptions in the implementation controls, which may prevent a seamless transition and lead to unnecessary disruptions as well as require significant investment.

We found [#] exceptions in the implementation controls assessed. The control failures have resulted in a [#]% resource cost overrun with future overruns likely.

\*be sure you can back-up and support the numbers you've provided.





# Internal Audit Report Structure

Executive Summary and finding descriptions

# Telling your story through an Executive Summary

The Executive Summary provides stakeholders with an **overview of the audit results** and provides an opportunity to illustrate the **value enhanced** and **protected by the internal audit** activity and the implementation of its recommendations.



## Key Elements of an Executive Summary

- Identifying the **key findings** of the audit
- Summarizing the audit **scope and objectives**
- Highlighting the **significance** of the audit findings
- Providing **recommendations for improvement**



## Tips for effective Executive Summary

- **Aim for brevity** and use data to drive home most important points
- Communicate every point in a way that **all levels of experience and expertise at your company understands**.
- **Leverage visual formatting** to draw readers attention to the right information quickly.



## Writing Techniques for an Effective Executive Summary

- Writing in a **concise** and **clear** manner
- Using **plain language**
- **Avoiding** technical jargon and acronyms
- Including only the **most important information**



## Structuring the Executive Summary

- Starting with an **introduction that sets the context**
- Presenting the findings in a **logical order**
- Concluding with **recommendations for improvement**

# Developing a logical and well through-out observation

Consider this framework (or alike) when developing detailed audit results

**Finding Title:** A clear, fact-based, self-explanatory and concise statement of the finding

**Criteria:** Standards, measures, expectations, policies, or procedures used in making the evaluation;

**Condition:** The current state observed in the business;

**Underlying Cause:** The reason for the difference between criteria and condition;

**Effect:** The risk of the exposure the client encounters because the condition is not consistent with the criteria; and

**Recommendation:** The proposed solution. The recommendation should be solution oriented, feasible and realistic, and should focus on addressing the root cause of the finding, rather than the symptom or outcome. (Later removed and replaced with management the action plan.

## Findings Aggregation

A finding issuer should consider if the individual findings aggregate into a potential risk based on reviewing various individual findings within an audit area.

## Remember!



# Internal Audit Report Contents

Overall and finding ratings

**Overall report rating at Cencora**  
**(Complete Professional Practices**  
**Rating Guide for all Audits and**  
**Meet with CAE)**

# Group Activity 1: CenChat Internal Audit Report

Option A: Detailed background section: Use of GenAI at Cencora

Option B: Strength: Positive impact of GenAI at Cencora

## Group Activity 2: CenChat Internal Audit Report

**Option A: Issue: Vendor contracts currently do not prohibit vendors employees from sharing data with open GenAI systems potentially leading to loss of sensitive data.**

**Option B: Issue: Cencora employees accept the terms of service to use the internal GenAI tool however evidence of acceptance is not stored. Employees are found violating the practices when data in the prompt database is analyzed. However evidence reviewing the agreement does not exist.**

Thank you





**Course Title:** Internal Audit Annual Team Training



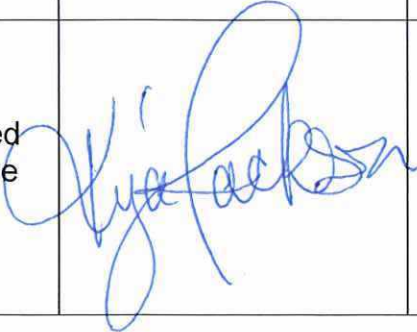
**Start & End Date:** 12/05/2023 – 12/07/2023

**Site Name, City, State:** Conshohocken, PA

AICPA/NASBA guidelines for Continuing Professional Education (CPE) credits are based on a 50-minute credit hour in qualifying NASBA CPE subject areas; one credit equals 50 minutes. AICPA/NASBA credits are rounded down to the nearest half-credit. All breaks and lunches are omitted from the total CPE minutes.

Certain types of activities do not usually qualify for CPE credit because they are not sufficiently related to the practice of public accounting or because they are not structured as formal CPE programs. For example: business meetings and social functions, coffee breaks, meals and registration/receptions associated with seminars and conferences.

**Day 2 - Internal Audit Annual Team Meeting**

Topic Title	NASBA CPE Subject Area	Instructor(s) *	Actual Start/End Time
<i>To be completed on-site by the instructor(s)</i>			
Writing Reports: A Journey to the Next Level	Specialized Knowledge		9:45 - 11:45 AM
<b>LUNCH</b>			
Fireside Chat: Visionary Leaders Share Their Career Chronicles	Specialized Knowledge		1:00 - 2:00 PM
Insights from Diversity, Equity and Inclusion Leaders on Elevating Team Culture and DEI Initiatives (Panel Discussion)	Specialized Knowledge		2:00 - 3:00 PM

**Program Title: Writing Reports: A Journey to the Next Level**

**Start & End Date: 12/06/2023**


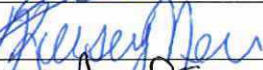

**Start & End Time: 9:45 AM – 11:45 AM**

**Site Name, City, State: Conshohocken, PA**

**Classroom: Cencora Building**

\*To allow for proper CPE credit calculation, please note time of late arrival, early departure, and/or any time missing from the classroom per day (start and end time) in the Instructor/Participant Exception Details column.

INSTRUCTORS: Please note in the exception column if you were a participant during any sections in which you did not instruct, to ensure that you receive the appropriate CPE credit. Please include details, i.e. instructed 9 - 10 AM, participated 10:15 - 11:30 AM.

Name	Signature	Employee ID Must Be Provided	Instructor/Participant Exception Details *
Instructors			
Peter Taylor			
Kevin Bowen			
James Taylor		A118379	
Participants			
Jeremy Howell		A117606	
Kelsey Neri		A121568	
S. Balbon			
MEGAN MONTER		A090989	

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Name	Signature	Employee ID Must Be Provided	Instructor/Participant Exception Details *
Douglas Baker		A071891	
Brend Richards		A133558	
Guangxin Yang		A128864	
Anthony Pami		A115941	

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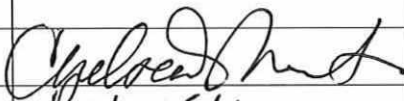

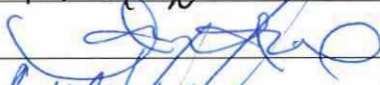



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Name	Signature	Employee ID Must Be Provided	Instructor/Participant Exception Details *
Chelsea Martin		A125531	
Rachel Estleman		A104978	
Kisha Patel		A103129	
Collin Anderson		A115438	
Alex Mazarenko		A113030	
<del>Chelsea Martin</del> Franklin		A078788	

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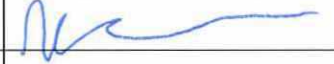
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Name	Signature	Employee ID Must Be Provided	Instructor/Participant Exception Details *
PAUL FIERRO		A073804	
Tony Nguyen		A120412	
Laura Sugan		A108900	
Matt Reichardt		A075274	

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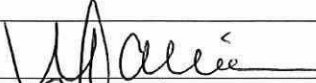



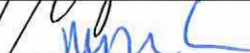

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Name	Signature	Employee ID Must Be Provided	Instructor/Participant Exception Details *
Michelle Davis		A129629	
Anthony Wilson		A136475	
Joe Tate		A127552	
Carey Weiss		A157424	
Melanie Nicholas		A125991	
HASSAN KHAN		A201967	