



Are we builders or breakers?

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Perception or Reality?

- Auditors Audit with an Agenda (AAA).
- Nit-Pickers and Fault-Finders.
- Do not value client's time or priorities.
- Bulldoze their views (My way or Highway).
- They do not care to understand my business or limitations.
- They do not trust anyone or anything.
- Focus is always on negative stuff. They don't see positive things.
- There is no value in what they do.... routine tests and typical recommendation.

Detective Columbo?

Email from a client:

“Dear Auditor,

Are you old enough to remember the TV detective show Columbo? Played by Peter Faulk, Columbo was a Los Angeles homicide detective who drove his own beat-up car, wore a stained trench coat and chewed on the stub of a cigar. To most he appeared to be harmless, but Columbo habitually appeared with "just one more thing," usually a consistency or if/then trap into which the guilty stumbled. Each time you return with "one other question" I wonder if Columbo's closing in on me.”



Monk at a Monastery

1. Bed's Hard
2. Food's Cold
3. I quit

What are we building?

- Culture
 - Promote Integrity, Accountability, Transparency, etc.
- Credibility
 - Value created, Qualification, Capability, etc.
- Relationship
 - Rules + Regulation – Relationships = Resentment + Rebellion
(Source: WNY IIA Summer Event - June/2014.)

Traits of Successful Builders

- Understand the mission/objectives
- Sacrifice own interest
- Obtain inputs from all parties
- Show Enthusiasm/Confidence/Knowledge
- Expect Surprises down the road (Weather, Cost, Resources, etc.)
- Consider feedback and value constructive criticism
- Provide status updates
- See the possibility beyond the immediate future
- Available even after the project is done

What does it take to build?

- Trust
 - **Empathetic Intelligence**
 - **One body : Many Parts**
 - Conduct Thorough Research
 - Planning is extremely critical and continuous
 - Listen (Open Mind)
 - Pay attention and gain understanding, Proverbs: 4:1
 - Skepticism – Openness = Naiveté
 - Skepticism + Openness = Critical Assessment
 - Share recent success stories.
- Respect
 - Profession/Mission
 - Time/Resources
- **Communication**
- **Focus**
- Walk the talk

Empathetic Intelligence

- Put yourself in their shoes:
 - Mission and Vision
 - Current Condition
 - Challenges/Struggles
 - No clear direction
 - Lack of support/resources
 - Red tape



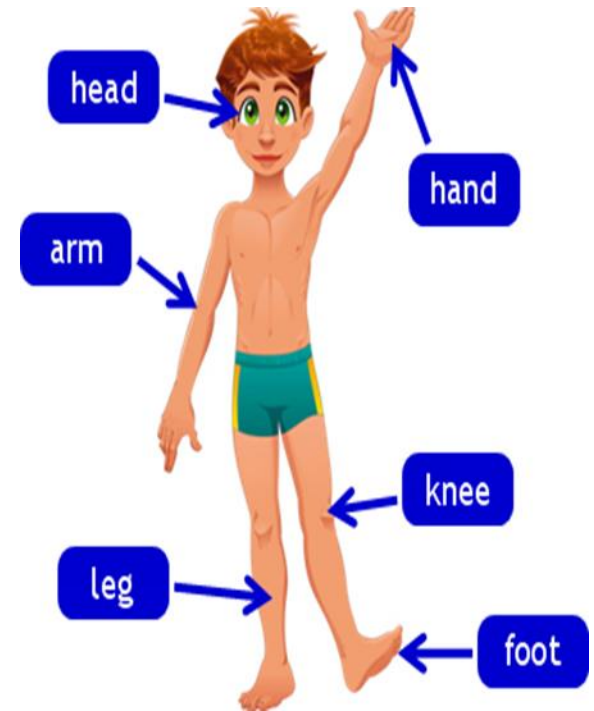
Avoid Premature Judgement

- Be very conscious when you walk in someone else's shoes – you must break in or tighten the shoes to feel (almost) the same.
 - Do not reach a conclusion/judgement so quickly
 - Not everything is black and white



One Body : Many Parts – Unity/Interdependency

- There is one body, but it has many parts. But all its many parts make up one body.
- The eye can't say to the hand, "I don't need you!" The head can't say to the feet, "I don't need you!" In fact, it is just the opposite. The parts of the body that seem to be weaker are the ones we can't do without. The parts that we think are less important we treat with special honor.
- If one part suffers, every part suffers with it. If one part is honored, every part shares in its joy.



Communication

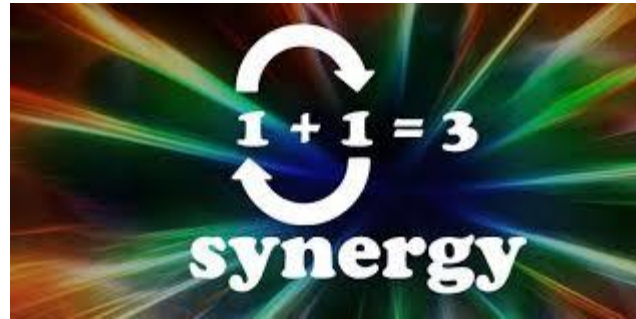
- Begins even before you initiate the audit
- Constant through out the audit
- Approachable/Available
- Discuss potential Findings as soon as they arise
 - Gives an opportunity for client to provide additional details or prepare implementing recommendations prior to the issuance of report.
- Use professional Judgement in determining how to communicate exceptions - One size does not fit all
 - Verbal/Written
 - Details shown in the report will depends on the:
 - Significance of findings
 - Clients' overall attitude towards internal controls
 - Sensitivity of matter identified
 - Value or the benefit that will be created
 - Readers understanding of the environment

Focus

- The moment you start building, the battle begins.
 - Maintain Objectivity
 - Show confidence
 - Conduct thorough research
 - Gather facts timely and protect them
 - Let the evidence speak for itself
 - Seek support
- “A successful man is one who can lay a firm foundation with the bricks thrown at him” (Source: David Brinkley)

Ultimate Goal

- The end product meets/exceeds the expectations.
- The end product values more than the combined value of each pieces ($1+1 = 3$).



- The value goes up as time passes.
- Everything is aligned properly and providing support to each other.

Gauge our status?

- What value did the audit created?
- Is Management requesting new audits?
- Are they calling you for advice?
- Are they sharing their audit experience with others in a positive way?



It is always easy to critique what someone else is doing.

Are you a builder or a breaker?