

“Tool and Techniques for Audit Interviewing”

Mid-America Intergovernmental Audit Forum
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“A prudent question is one-half of wisdom.”
--Francis Bacon

What An Audit Interview Is Not:

- It's not a law enforcement interview
- It's not an interrogation.
- It's not a survey or a “structured interview” as the GAO uses the term.
- It's not a fraud interview.

What An Audit Interview Is:

- “An interview is a small, personal, controlled conversational meeting in which auditors obtain needed information from people who have it.”
- “An interview is a conversation with an agenda.”

The Interview As Evidence

- Four kinds of audit evidence:
 - Physical
 - Documentary
 - Analytical
 - Testimonial
- An interview is testimonial evidence.
- In general, testimonial evidence is weakest

The Interview As Evidence

- “Evidence is data on which factual statements can be based. It is a collection of relevant *and sufficient* facts offered in verification of an audit conclusion.”

--Bill Stack
- Therefore, allegations are not evidence.
- Opinions are not evidence.

Parts of An Interview

- Preparing for the Interview
- Conducting the Interview
- Documenting the Interview

Preparing for the Interview

- First: decide if the interview is most appropriate data-gathering technique

Interview PROS:

- Access to individual's knowledge and skills
- Access to institutional memory
- Access to undocumented knowledge
- Access to leads, anecdotes, rumors
- Useful for confirmation, verification, or corroboration

Interview CONS:

- Necessarily based on trust (no oath)
- Often inherently unreliable
 - perceptions differ
 - time fades or skews memory
 - stress, distractions can alter memories
 - respondent's need to impress, to appear competent or in the loop
- Bias (often unconscious)

Interview CONS:

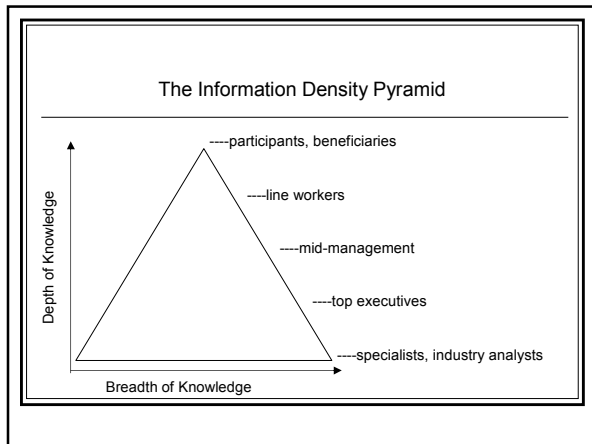
- Testimonial evidence is weaker for certain kinds of information
- Interview evidence is most likely to need corroboration

Preparing for the Interview

- Second: do your homework. Know as much as you can, before walking in, about
 - the agency/entity
 - subject matter
 - interviewee

Preparing for the Interview

- Third: Schedule the interview
 - schedule as far in advance as possible
 - inform interviewee of...
 - reason for interview
 - your authority if necessary
 - the process and time required
 - topics to be covered
 - schedule interviews in pyramid order



Preparing for the Interview

- **Third: Schedule the interview (cont.)**
 - Tell interviewee how long the interview will be
 - In general, don't plan on more than an hour without a substantial break
 - Some authorities say a person can't sustain concentrated attention more than 30 minutes

Preparing for the Interview

- **Fourth: Prepare your questions**
 - Ask only relevant questions based on audit objectives (except for ice-breakers)
 - Ask only questions interviewee is competent to answer
 - Ask qualifying questions if necessary
 - DON'T ask lifestyle questions unless certain it relates to audit

Preparing for the Interview

- Fourth: Prepare your questions (cont.)
 - Move from simple to complex, easy to difficult, routine to sensitive
 - Emphasize open-ended questions
 - Avoid leading questions or questions that assume a correct answer
 - Avoid closed-ended (Yes/No) questions unless clarifying a point

Preparing for the Interview

- Fourth: Prepare your questions (cont.)
 - Language should be tailored to interviewee—not too simple, complex, jargony, etc. Should be transparent to listener.
 - Consider pre-testing your questions or having supervisor or cold reader review them
 - Check them back to the audit objectives

Preparing for the Interview

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Preparing for the Interview

- Fourth: Prepare your questions (cont.)
 - Use precise questions that call for a specific or exact answer. For example, the following questions are progressively more precise:
 - What is your job?
 - What are your specific duties?
 - What are your duties in this area?
 - What did you do yesterday?

Preparing for the Interview

- Fifth: Prepare your location
 - The best location depends on the topic
 - Most routine interviews: best place is interviewee's office
 - most convenient for them
 - records close at hand
 - other staff close at hand for questions

Preparing for the Interview

- Fifth: Prepare your location (cont.)
 - For sensitive material, go elsewhere
 - conference room
 - your office
 - park bench
 - hotel room
 - their home

Preparing for the Interview

- Fifth: Prepare your location (cont.)
 - Ideally avoid sitting across a desk from interviewee
 - If using a conference table, both sit at one corner
 - In general, avoid snack bars and restaurants (refreshments are good, though, if only for the fiddle factor)

Preparing for the Interview

- Finally: Prepare yourself
 - Have your materials (pencils, paper, business cards, etc.) ready
 - Have your questions and background info ready
 - If you are at all unsure or nervous, PRACTICE

Conducting the Interview

- First impression happens before the interview
 - Professionalism of intro letter, preliminary phone calls can affect the interview
 - Be respectful of interviewee's time by being on time

Conducting the Interview

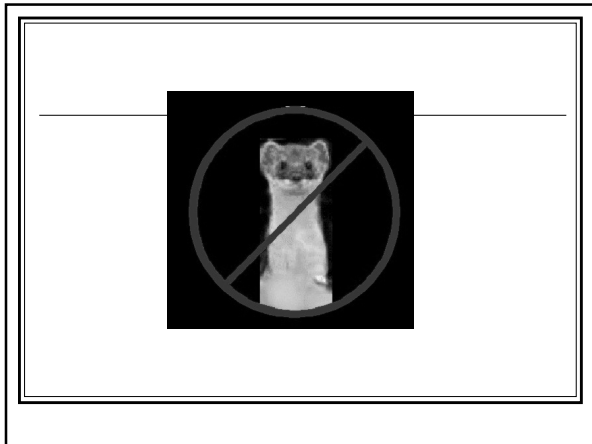
- **Introductions: Make sure interviewee knows...**
 - Who you are
 - What your job is
 - Why you're here
 - What you want to talk about

Conducting the Interview

- **Establish rapport with the interviewee**
 - "Rapport" is defined as:
 - a perceived connection
 - sympathetic understanding
 - Rapport is NOT
 - being overly familiar
 - trying to convince the interviewee you're on her side

Conducting the Interview

- **Establish rapport (cont.)**
 - Establishing rapport means establishing an atmosphere of mutual trust and understanding
 - If you're trusted, you're more likely to get sensitive or closely held information
 - The interviewee might not like the audit, or the fact that you're there, but you are perceived as fair and professional. In other words, you aren't a weasel.



Conducting the Interview

- Establish rapport (cont.)
 - Establish rapport by following business norms
 - appropriate dress
 - good eye contact, firm handshake, on time, etc.
 - Make small amount of small talk
 - weather, how 'bout them Royals
 - Hint: look for pictures (grandkids, pets, hobbies)
 - establish commonality if you can do so genuinely

Conducting the Interview

- Ensure the interviewee knows...
 - Why he or she is being interviewed (what do they know that you need to know?)
 - What the procedure will be
 - If there should be any expectation of confidentiality
 - Give interviewee an opportunity to ask questions

Conducting the Interview

- Ask your questions
- Remember: conducting the interview means it's your job to :
 - keep things on track and on task
 - watch the clock
 - watch your interviewee for signs of fatigue or restlessness
- We'll cover this part of the interview in more depth later.

Conducting the Interview

- End the interview and wrap it up
 - Explain what happens next (signoff, etc.)
 - Exchange business cards and encourage follow-up
 - Answer any questions

Documenting the Interview

- Things to include:
 - Who
 - Title
 - Contact info
 - Where and When
 - Why (tie to objectives)

Documenting the Interview

- Options for documenting the interview include:
 - a full transcript
 - a narrative summary
 - a Q&A summary

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Documenting the Interview

- Most common pitfalls in documenting interviews:
 - Interview summary is too complete—everything's included
 - Unclear whether evaluative statements are the interviewee's or the auditor's
 - Obvious follow-up questions not asked
 - Unresponsive or contradictory answers go unchallenged—just uncritically recorded.

Documenting the Interview

- Signoffs: Generally, obtaining a signoff is appropriate in the following situations:
 - when the interview information is critical to the audit objectives and is unavailable elsewhere.
 - when the interview information is potentially controversial, or when the auditor judges that the interviewee might claim later that his or her statements were misinterpreted.
 - when the interview information is complex, confusing, or otherwise susceptible to misinterpretation.

Professional Skepticism

- "The method of suspended judgment, systematic doubt, or criticism characteristic of skeptics."
--Webster
- "Trust, but verify."
--Ronald Reagan
- "Show me."
--Missouri

Professional Skepticism

Questions you might ask yourself:

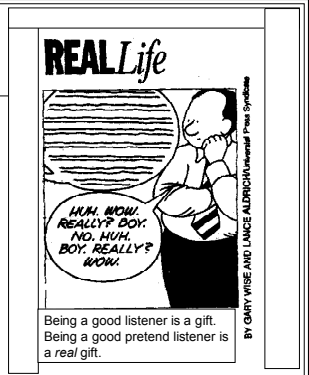
- Is the statement reasonable?
- Is the interview as a whole internally consistent?
- Are there exceptions?
- Can I verify it?
- Any whiff of fraud, waste, or abuse in what I heard?
- Is the interviewee credible? Was the offered support credible?
- Does the interviewee have any reason to lie?
- Any reason to suspect bias? (conscious or unconscious)

Documenting the Interview

- Corroboration: Whenever possible, get documentation of assertions of important facts
 - Numbers (of employees, expenditures)
 - Dates
 - Events (minutes, memoranda)

Listening Skills

- Active listening is more than just paying attention.
- Active listening is a communication skill that draws information from the other person.



Active Listening Techniques

- Encourage
- Restate
- Reflect
- Summarize

Active Listening Techniques

Technique	Purpose	Action	Example
Encourage	Convey interest. Keep person talking.	Don't agree or disagree. Noncommittal with positive tone of voice.	I see Uh-huh... That's interesting.

Active Listening Techniques

Technique	Purpose	Action	Example
Restate	Shows you're listening and that you grasp the facts.	Restate person's basic ideas, emphasize facts	If I understand, your idea is to... In other words, this is your decision.

Active Listening Techniques

Technique	Purpose	Action	Example
Reflect	Show that you are listening and understand how they feel.	Reflect the person's basic feelings.	You feel that... You were pretty disturbed by this....

Active Listening Techniques

Technique	Purpose	Action	Example
Summarize	Pull important ideas, facts, etc. Establish a basis for further discussion.	Restate, reflect, and summarize major ideas and feelings.	These seem to be the key ideas you've expressed..

"Conducting Internal Audit Interviews," Harmeyer et al., Institute of Internal Auditors

Listening Skills

- Uncomfortable silences.....get comfortable with them.
- Often, an interviewee will hesitate; if you don't ask another question right away, he'll start talking again.

Listening Skills

- The interviewee doesn't know what you don't know and may assume knowledge you don't have. Don't nod knowingly if you don't know. Ask for clarification.
- Instead, use your fear of looking stupid to motivate you to be well-prepared.

Listening Skills

- Beware of the halo effect.
 - Stereotyping
 - Bias
 - Snap judgments

Body Language... Yours

- Practice your poker face. Avoid...
 - blank stares
 - frowns
 - raised eyebrows
 - fidgeting, foot bouncing, pencil tapping
- Lean forward slightly
- Maintain good eye contact
- Act interested

Body Language... Theirs

- We do interviews in person whenever possible for a reason.
- Still, a lot of conventional wisdom is either impractical, inapplicable to audit interviewing, or downright hooey.

Body Language...Theirs

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Body Language ...Theirs

- Widely referenced, but ...
 - not definitive
 - not evidence
 - IF valid, takes years to be useful.

NEUROLINGUISTIC EYE CUES EYE CUES NOT INDICATIVE OF MEMORY

Visual construct: Eyes up and to the speaker's right indicates they are creating or adding information to something they are attempting to visualize.



Help Memory: Eyes looking straight up indicates someone seeking divine help. This eye positioning is not consistent with memory.



Auditory construct: Eyes to the speaker's right indicates they are in an auditory mode; however, they are creating or adding information to something they have not heard.



Emotional: Speaker's eyes down and to their right are indicative of someone experiencing body sensations. It is not indicative of recall, but someone experiencing emotions. During an interrogation it may indicate the person is close to confessing.



Person's eyes focused straight down are indicative that the person cannot recall information.



from *Effective Interviewing and Interrogation Techniques*, Gordon & Fleisher

Body Language...Theirs

- Look for clusters of behaviors
- At most, such body language/involuntary behaviors are possible clues about where to probe further.
- If he won't sign off on it, it's not evidence anyway.

EXERCISES
