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# **Beyond Compliance: Elevating Internal Audit Through Exceptional Customer Service and Leadership**

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# Agenda



The Power of Customer Service



Common Pitfalls



Customer Service and Leadership Skills



Case Studies



Action Planning / Q&A

# The Power of Customer Service



## What “Customer Service” Means in Internal Audit

- Service to our stakeholders and our team

## Turning Mandates into Partnerships

- Overcoming friction

## Transforming Stakeholder Relationships

- From compliance policing to trusted collaboration

## Serving Our Team First

- How internal respect and support elevate audit quality

# Common Pitfalls



- Eroding trust through poor leadership
- Losing team confidence
- Double standards
- Impact on audit recommendations

# Customer Service and Leadership Skills

- The LEAP Framework
- The HEARD Method
- SERVE Leadership Model
- Moments of Truth



# Customer Service and Leadership Skills Modeling Excellence for Better Audits

LEAP Framework -  
Listen, Empathize,  
Apologize,  
Problem-Solve

- Listen – Give your full attention and avoid interrupting
- Empathize – Acknowledge feelings and concerns
- Apologize – For impact, not necessarily for wrongdoing
- Problem-Solve – Collaborate on next steps

Why this matters:

- Builds trust before, during, and after tense situations
- Models Respecting handling of concerns internally and externally

# Customer Service and Leadership Skills Modeling Excellence for Better Audits

## HEARD Method – Hear, Empathize, Apologize, Resolve, Diagnose

- Hear – Listen without defense
- Empathize – Show genuine understanding
- Apologize – For the inconvenience or frustration
- Resolve – Take action to fix the immediate issue
- Diagnose – Identify root cause to prevent recurrence

## What this matters:

- Ensures we address root causes
- Demonstrates accountability and responsiveness

# Customer Service and Leadership Skills Modeling Excellence for Better Audits

## SERVE Leadership Model – See, Engage, Reinvent, Value, Embody

- See the future- Set a vision for the audit's value
- Engage and Develop People – Invest in the growth of your team
- Reinvest Continuously – Improve processes and tools regularly
- Value Results and Relationships – Balance technical quality with trust
- Embody the values – Model ethical, transparent behavior

## Why this matters:

- Holds us to the same leadership standards we recommend to others
- Creates a high-performance, high-trust team culture

# Customer Service and Leadership Skills Modeling Excellence for Better Audits

## Moments of Truth – Every Interaction Shapes Perception

- Trust is built or broken
- Moments of truth happen with each interaction we have
- Planned moments – we know they are coming and can prepare
- Unplanned moments – occur spontaneously and require quick judgment
- Critical moments – High-stakes situations that significantly affect perception

## Why this matters:

- Departments are judged on their services provided – so are we
- Positive moments early make difficult conversations easier later

# Case Study 1

**Scenario Background:** You work in the Internal Audit department at a small college. The college is facing budget constraints, which has led several departments to feel defensive and stressed about potential cuts. Your team has been asked to perform a targeted review of the Procurement Office, specifically focusing on the use of institutional purchasing cards and the related expense reimbursements.

- **Key Characters:**

- **Chris:** The Lead Internal Auditor assigned to this engagement. Chris is relatively new to the college but has extensive audit experience.
- **Pat:** The Procurement Office Manager who oversees the college's P-Card program. Pat has felt increased pressure from leadership about cost controls and is wary about any "intrusive" audit activities.
- **Morgan:** A senior staff member in Procurement who coordinates daily transactions and is the liaison for departmental P-Card users.

# Timeline of Events

**Week 1:** Chris sends an initial announcement to the Procurement Office about the upcoming audit, detailing the scope and requesting relevant documents.

**Week 2:** Pat responds with concerns about the timing of the audit, citing reduced staff capacity and multiple deadlines. Pat questions whether the scope is necessary or duplicative of previous financial reviews.

**Week 3:** Chris notices discrepancies in the transaction logs, including missing receipts for high-value purchases. A few purchases also lack proper approvals. When Chris mentions these issues to Morgan, Morgan becomes visibly uncomfortable.

**Week 4:** During an on-site visit, Pat complains that audit requirements are “nitpicking” and that the auditors don’t appreciate the department’s workload. Pat further expresses frustration over “yet another audit” and implies the auditors should trust their professional judgment.



# The Tension: Empathy vs. Objectivity

## Challenge for Participants

Your group is tasked with developing a strategy for Chris to ensure the audit meets professional standards without alienating Pat or Morgan. Think about how to:

- Show Empathy and Compassion
  - Validate concerns about timing, workload, and perceived scrutiny.
  - Communicate the value of the audit in a non-confrontational way.
- Maintain Objectivity and Independence
  - Avoid compromising on thoroughness or skipping steps to “keep the peace.”
  - Document all potential findings with clear evidence, even if there is pushback.
- Resolve Conflicts Constructively
  - Address Pat’s frustrations and identify ways to minimize disruptions.
  - Work with Morgan to obtain missing documentation without creating unnecessary tension or fear.



# Case Study 2

**Scenario Background:** The Internal Audit team is reviewing cybersecurity controls. The IT department is understaffed and already juggling a large system upgrade.

## Key Characters:

- **Dana:** Lead IT Auditor, detail-oriented but sometimes blunt.
- **Sam:** Chief Information Officer (CIO), under pressure to complete the upgrade.
- **Riley:** IT Security Analyst, point of contact for the audit.

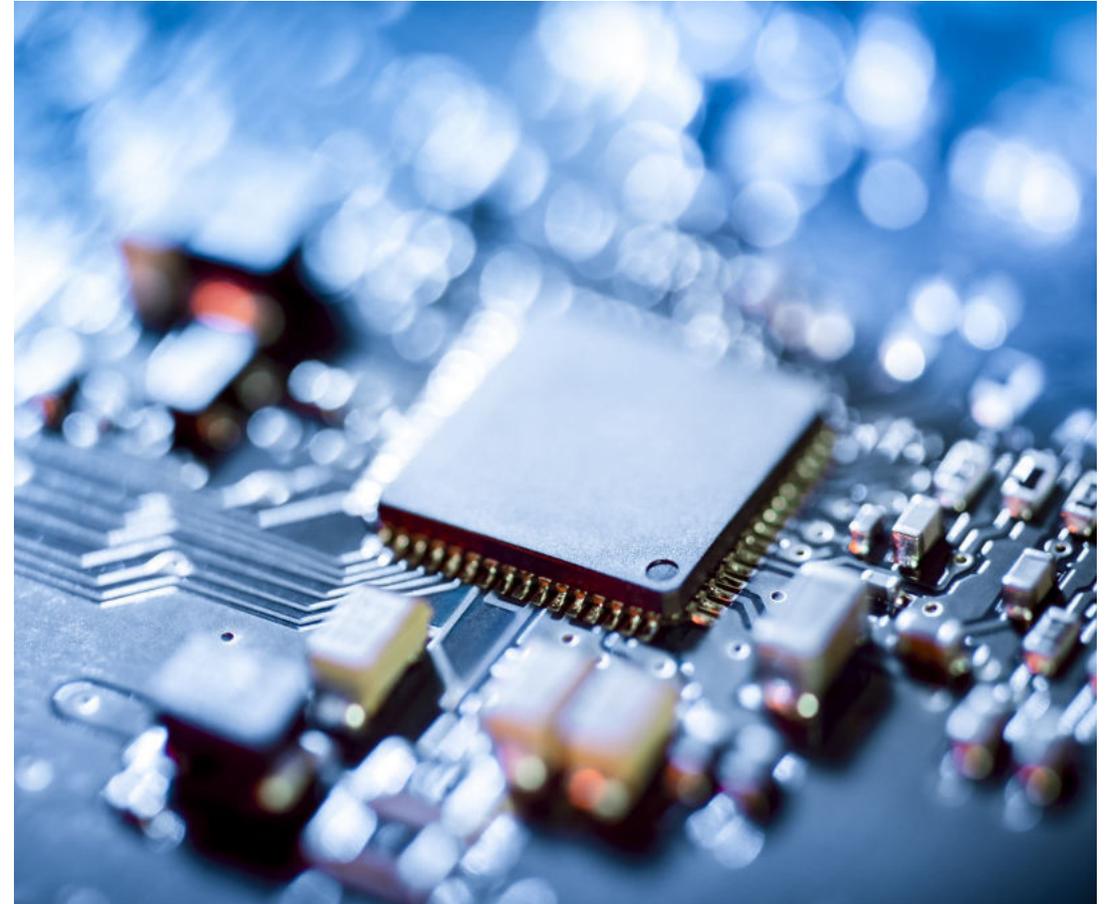
# Timeline of Events

**Week 1:** Dana issues the request for firewall logs, user access reviews, and incident response records.

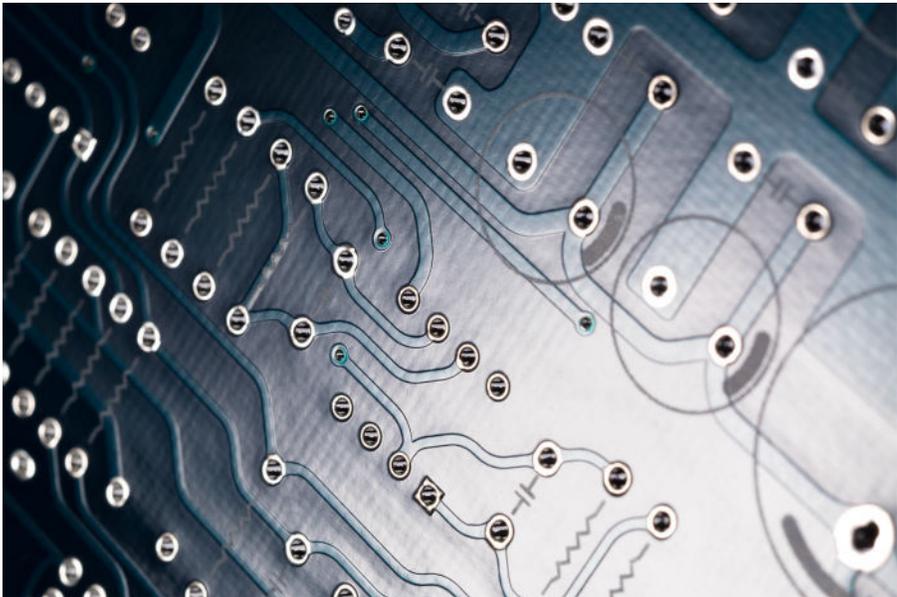
**Week 2:** Riley struggles to deliver due to competing upgrade demands.

**Week 3:** Dana follows up multiple times; Sam complains that audit requests are slowing down the upgrade project.

**Week 4:** Dana discovers lapses in access controls but worries about straining the relationship with IT.



# The Tension: Trust vs. Accountability



## Challenge for Participants

Your group is tasked with developing a strategy for Dana to ensure the audit meets professional standards without alienating Sam and Riley.

## Think about how to:

Use the LEAP framework to validate IT's workload while emphasizing the urgency of cyber risks.

Communicate the audit's role in supporting—not hindering—the upgrade.

Develop strategies to de-escalate CIO frustrations while maintaining standards.

# Case Study 3

**Scenario Background:** After a lab accident, the Internal Audit team is asked to evaluate compliance with safety protocols in the College of Science. Faculty and staff feel the audit is adding stress to an already sensitive situation.

## Key Characters:

- **Avery:** Lead Safety Auditor, technical expert but less experienced with interpersonal conflict.
- **Dr. Kim:** Dean of Science, worried about faculty morale and reputation.
- **Jordan:** Lab Manager, overwhelmed by new compliance demands.

# Timeline of Events

**Week 1:** Avery requests safety training records and lab inspection logs.

**Week 2:** Jordan admits records are incomplete due to turnover and staff shortages.

**Week 3:** Avery observes lapses in lab safety practices during a walkthrough.

**Week 4:** Dr. Kim pushes back, claiming the audit timing is “piling on” during a crisis.



## The Tension: Timing vs. Necessity



### Challenge for Participants

Your group is tasked with developing a strategy for Avery to ensure the audit meets professional standards without alienating Dr. Kim and Jordan.

### Think about how to:

Use SERVE leadership principles to set a vision of safer labs while valuing relationships.

Communicate why the audit adds long-term protection rather than punishment.

Develop strategies to support faculty cooperation without compromising on findings.

# Action Planning / Q&A

## Be the Auditor People Want to Work With



Identify one “moment of truth” in your upcoming audit work.



Lead by example: embody the customer service and leadership you expect in others.



Plan how you will handle using customer service and leadership frameworks.



Reflect afterward on what changed in the tone, trust, or outcome?