Plain English Foundation

Auditing the report: writing in Plain English.

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I don't imagine I need to convince auditors about the value of an independent review of financial systems and processes, nor of the importance of reporting to recommend solutions and improvements. But this raises an obvious question: can we apply the same approach to audit documents themselves? In short, can we audit the audit report?

For the last eight years, I have worked with more than 1,000 auditors across four states doing just that. Today—to use some audit terminology—I want to make some observations about that experience, draw out some implications, and put forward my recommendations for audit reporting standards. If I were to summarise my core message in the structure of a management letter, I might write:

> **Observation**
>
> Too many auditors are writing in an out-of-date 'finance-speak' that is inefficient, unnecessarily hard to read, and at times rather unclear.
>
> **Implication**
>
> Over-written audit reports reduce the economy, efficiency and effectiveness of audits and the value they deliver.
>
> **Recommendation**
>
> As part of their professional skill set, auditors will increasingly need to understand and apply plain English as part of their professional practice.

In mounting my case for plain English reporting, I want to raise and answer three questions:

1. What exactly is plain English?
2. What elements make a plain English audit report?
3. What is the evidence in favour of plain English?

1. What exactly is plain English?

Definitions of plain English

Let's start with a basic definition of plain English. Here are three current definitions:

> Plain English is the writing and setting out of essential information in a way that gives a co-operative, motivated person a good chance of understanding it at first reading, and in the same sense that the writers meant it to be understood.[1]
>
> A communication is in plain language if the people who are the audience for that communication can quickly and easily
>
> - find what they need
> - understand what they find
> - act appropriately on that understanding.[2]
>
> Plain English communication adapts and tests the content, structure, expression and document design of a text so that its audience can achieve intended outcomes.[3]

In all these definitions, plain English (which is one variety of plain language) is about achieving practical outcomes, about focusing on audience and what that audience needs to achieve your document's purpose. And audience is the key to effective report writing: too many professionals write in the technical code of their discipline, whether that is in law or medicine, engineering or finance. While that can be appropriate when writing to a fellow technician, plain English writers adapt their text when communicating with to an audience not familiar with that code. This doesn't mean the content will change—just the strategy for conveying that content.

In the case of auditors, this means learning how to communicate financial concepts and their implications without the easy crutch of audit-speak. The mandate of your work means you do not often have the power to force your readers to act on your recommendations. You must persuade, and that's why clear and convincing report writing is so important.

Myths about plain English

While that all sounds straightforward in theory, there is a surprising amount of resistance among auditors to adopting a plain English approach. There are some very common misconceptions about the so-called dangers of departing from finance-speak. I've heard them all regularly enough with the 800 auditors we've trained, so I'm sure some of you are sounding the same concerns in your heads as I speak. So let me deal with what I call the four major myths about plain language:

1. Plain English is just about short words and sentences.

If this were ever true, it certainly is not true now. Plain English evaluates the purpose, content, logic, structure, document design, expression and style of professional documents and how effectively these elements are employed for their intended audiences. If someone says they must be writing in plain English because they are using short sentences, they are covering less than five per cent of what's actually involved.

2. Plain English is a blunt, informal style that will compromise my professionalism

This is a harder myth to bust, particularly among the old guard schooled in a highly formal style. They fear that their clients will not take them seriously unless they use a prose heavily laden with formality and jargon. Yet in every case we've introduced plain language, client feedback has been just the opposite. Professional reputation actually increased because clients could more readily understand and act on what they were reading.

3. It is not possible to convey complex technical concepts in plain English.

I'd amend this one slightly and then agree with it: it is not **easy** to convey technical concepts in plain English. Of course it's not. But it's not impossible either. There are some words you are not going to be able to simplify—such as 'immaterial', 'revaluation' or 'liability'—but there are plain language alternatives to so much of what you need to explain. Albert Einstein captured this challenge well when he wrote that 'my aim is to make things as simple as possible, but not simpler than that.'

4. Plain English is a very simplistic style not appropriate to a professional context.

Plain does not mean unsophisticated. In fact, a text that is easy to read is often one that has had a great deal more skill applied to it. It is much easier to lapse into jargon and pre-fabricated phrasing than think carefully about how to adapt that language to different audiences. Plain English is hard to write because it balances the three major elements in communication:

- audience
- content
- purpose.

Plain English seeks to reform any language that has an imbalance between these elements by:

- focusing on content without adapting to the audience
- complicating that content unnecessarily
- lacking clarity about the ultimate purpose and outcomes.

Perhaps the best way to illustrate this is with a short example from a letter to an audit client:

> **Audit-speak**
>
> At this point in time, it will be necessary for you to provide further documentary evidence with regards to the gaps identified in the correspondence in order to progress your financial statements to the final audit process. (37 words)
>
> **Plain English**
>
> Before we can finish auditing your financial statements, you will need to send us more documented evidence about the gaps we identified in our letter. (25 words—33% shorter)

Is there really any content in the first that is missing in the second? Does the second one sound unprofessional or compromise technical meaning? It is easier to see which one is more efficient, but which one will be more effective for its audience?

2. What elements make a plain English audit report?

So, with a basic definition behind us, let's look in more detail at how you transform a piece of traditional audit-speak into a plain English report. I'm going to go through my top dozen recommendations for effective audit report writing, illustrated with examples:

1. Focus on your readers and what they need to achieve your outcomes.
2. Have a clear core message and the right level of supporting detail.
3. Structure documents with the key information first, followed by the details.
4. Persuade with a high proportion of analysis rather than process detail.
5. Choose the most effective reasoning to support your recommendations.
6. Apply some document design to make your content more accessible.
7. Aim for a 'formal but friendly' tone.
8. Use the simplest words possible to convey your meaning.
9. Write in an active style with less than 20 per cent passive voice.
10. Omit needless words.
11. Use an average sentence length of around 15-20 words.
12. Follow established conventions for grammar, punctuation and usage.

1. Focus on your readers and what they need to achieve your outcomes.

This is probably the most important thing I will say to you today, and it's so important I will say it several times. Effective report writing is all about audience. You may be enamoured with the technical language of your profession—you may in fact find audit-speak aesthetically spine tingling—but if your audience struggles to understand it, your document can fail.

Here's one example I came across, cited by a non-financial line manager who needed to prepare a return for her finance section. She had trouble getting her head around the concept of a 'contingent liability'. So the finance officer helpfully sent her the following explanation, which I suspect is straight out of the accounting standards:

> Contingent liabilities are possible liabilities that arise from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity.

Now this may be technically sweet, but the manager was worse off than when she began. Yet the officer probably felt he was being technically accurate and professional. He simply failed to communicate. A better approach may have been a plain language translation, followed by an example from that particular workplace:

> Contingent liabilities are costs you might have to pay because of future events you can't control. For example, …

On a broader scale, one public sector auditor moved towards plain English when publicly berated by its Public Accounts Committee. The Committee was investigating why a particular entity went belly-up, and why the auditor didn't flag the problem. The auditor replied that the difficulty was clearly signposted in the audit report, but it was in such technical language that no non-accountant would have understood the implication. As a result, the Committee recommended:

> The [audit office] should take its wider audience into account in preparing its reports to parliament. These reports should explain why listed issues are significant and their financial implication.

2. Have a clear core message and the right level of supporting detail.

My second guideline relates to a problem that all professionals share: the desire to show all the effort that has gone into our documents. And the best way, it seems, to illustrate this is by bulk: the longer the document, the more it will impress. Unfortunately, the opposite is far more likely.

A common scenario is this one, which I've encountered many times. A client receives a letter raising a particular audit issue. The letter goes into some detail about the background of that issue, perhaps with liberal quotations from audit standards or legislation. It discusses the entity's own context relating to that issue. Meanwhile, the no doubt very busy reader is wondering what is the point: why do I need to be reading this?

It is usually only at the very end of the letter that the auditor gets to the practical reason, which is often something straightforward like 'we need you to come to a meeting' or 'we need you to send us more information'. If the readers bothered to get there at all, they are then wondering why all that detail was necessary for something so simple and functional as attending a meeting. They're not likely to turn up in the most positive frame of mind.

In this kind of document, an author is really sounding out an entire thinking process instead of getting to the practical point and ruthlessly culling the supporting detail needed to justify that point. This requires constant discipline.

A useful tool to apply is a 'core message test'. Write one sentence summarising the topic of your document, one summarising your conclusions and one sentence summarising the actions you want to happen. Then scrutinise the detail and see what you can trim. Put yourself in the readers' shoes and ask: do they really need this?

3. Structure documents with the key information first, followed by the details.

Closely related to focus is the sequencing of your information itself: the report structure. Here again, the traditional practice is often very frustrating for a reader, using a structural pattern I call the 'research narrative'. This sequences content by the order of the research process itself, starting with an introduction, then the background and methods, working through the research detail, then proceeding to the findings and conclusions, before finally reaching the recommendations. One common audit report structure is something like this:

> Introduction
> Background
> Methods
> Findings
> Conclusions
> Recommendations

This is a perfectly logical structure and it mirrors the thinking process itself. The problem is it does not reflect the way that your reader will want to access that information. The most important things for your reader come at the end, and many will quickly start to skim the early parts of the text to get to that point.

In fact, a study by James Souther[4] looked at how professionals read these reports and found some startling truths. Everyone reads the executive summary if there is one and about 60 per cent go on to read the introduction. This then plummets to only 15 per cent who actually read the main body of a report, while just on 50 per cent make it to the most important conclusions and recommendations at the end. Think about that for a moment: if you use a narrative structure, the chances are that half of your readers won't make it to your conclusions.

So what is the alternative? To use what is called a telescoping or 'pyramid' structure. This sequences information, not by the research process, but in descending order of importance, starting with the key context, conclusions and recommendations, moving into the findings, and placing all the background material and process detail at the end.

At first glance, asking auditors to adopt this kind of structure is akin to asking them to walk to the moon in their lunch hour. But everywhere we have seen this change introduced, it has produced more effective reports and positive client feedback.

To take one example of a public sector auditor, whose key reports are its auditor general's reports to parliament. Parliamentarians are particularly busy people, but the report structure it used to report on the financial statements of each entity followed a classic narrative structure:

- ESTABLISHMENT AND OBJECTIVES
- SIGNIFICANT DEVELOPMENTS DURING THE YEAR
- OPERATIONAL MATTERS
- AUDIT FINDINGS
  - Audit opinion
  - Control issues
  - Compliance issues
  - Accounting issues
- FINANCIAL INFORMATION

Which do you think is the key audit information? Where is it in the text? This structure literally cast back to when each entity was established, under what legislation and in what year. It then detailed the major 'events' that each entity identified and any operational issues, and only then started to discuss actual audit issues. It buried the key audit opinion in the middle of the report under a second level heading.

We eventually replaced this with a telescoping structure that foregrounded what was of most importance to the readers. The feedback from readers was very positive.

- Audit opinion
- Key issues
- Performance information
- Other information
- Financial information
- [Organisation] activities

4. Persuade with a high proportion of analysis rather than process detail.

My fourth guideline relates to persuasion. What will convince your readers to follow your recommendations? Here, we can borrow one of the oldest concepts in human communication, dating back to the work of Greek philosophers. Aristotle wrote that there are essentially two types of information in any persuasive document: the facts of the case—which we might call description—and the arguments that interpret those facts and recommend actions in response—which we can call analysis.

A persuasive text usually has an equal proportion of these two elements: descriptive facts and analysis of those facts. Audit reports, on the other hand, tend toward an uneven balance: lots of description of the audit process and findings, but little on the implications of those findings. Here's an example of a fairly typical management letter point:

> **Finding**
>
> As disclosed in note 7 to ABC Enterprises 2004 financial statements, ABC Enterprises has share investment in International Investment Australian Pty Ltd ($65,000), Finance International Pty Ltd ($400,000), and International Geared Investments Pty Ltd ($100,000).
>
> Audit is of the view that there is a need for ABC Enterprises to consider, in future years, the application of Australian Accounting Standard AASB 1016, *Accounting for Investments in Associates*, if it meets the requirement stated in this Standard.
>
> Audit is also of the view that there is a need for ABC Enterprises to obtain financial report from these organisations.
>
> **Implication**
>
> Potential non-compliance with the requirement of Australian Accounting Standard AASB 1016, *Accounting for Investments in Associates*.
>
> **Recommendation**
>
> Management should consider the application of Australian Accounting Standard AASB 1016, *Accounting for Investments in Associates* in future years.

If you were a non-financial reader not very conversant with AASB 1016, how much would you understand the implications of not complying with this standard? The core conclusion is not backed up with strong analysis about why this is important. Here you can apply the 'so what?' test. Read a finding and ask yourself 'so what?' The answer should be in your implications.

In this case, a more analytical implication might be along the lines of:

> **Implication**
>
> AASB 1016 states that where an associate' entity's performance can significantly affect an investor, that investor should report about the associate in its own financial report. This would help ensure that ABC Enterprises is protecting its investment and that users of its financial report understand the potential impact of poor performance by the associate companies. To protect its investments and manage this risk, ABC Enterprises should obtain and review the most recent audited annual financial statements or management reports from all its associates.

Now a non-financial manager is more likely to understand, sit up and take notice.

5. Choose the most effective reasoning to support your recommendations.

This illustrates something I've come to suspect strongly: auditors are more comfortable in documenting processes than developing arguments. Yet persuasive writing means you need to understand applied logic and what types of arguments you can draw from to support your case. You can no longer be effective by documenting a finding and leave it to the reader to work out the implications themselves.

Fortunately, methods are readily available to select the most viable reasoning to support your conclusions. Here is an example of a common IS audit scenario and the categories of reasons an auditor can draw from in selecting some implications.

	Issue and recommendation The Acme database management software is no longer supported by Acme. We should upgrade our software and ensure it is supported.
	Reasons
Authority	This practice does not comply with current standards.
Consequence	Without support, error rates may increase, leading to failures in services.
Cause and effect	Our previous error rates may have been caused by out-of-date support.
Precedent	Software upgrading is in line with our previous practice.
Process	This need has been identified in our regular risk review.
Definition	All software support systems need updating.
Responsibility	Under our service contracts, software upgrades are our responsibility.
Comparison	Other comparable organisations have already upgraded their software.
Example	In organisation x, this exact problem led to …
Possibility	An upgrade is readily available for this software.
Principle	Service failure will have unequal impact on the public.
Analogy	This would be like keeping a car when spare parts were not available.

This doesn't mean that you would use every one of these arguments in your reports. But for each conclusion and recommendation, you can select the strongest and most relevant from categories and strengthen your analytical content to maximise the chances of winning over your readers.

6. Apply effective document design to make your content more usable.

While we are still looking at 'big picture' elements, another worth considering is the actual layout of your text. Word processors these days give you unparalleled tools to convey what can otherwise be very dry content. I'm thinking here particularly of documents such as working papers, where auditors often document processes before they can analyse them. Here is an example of text from an assurance audit work paper.

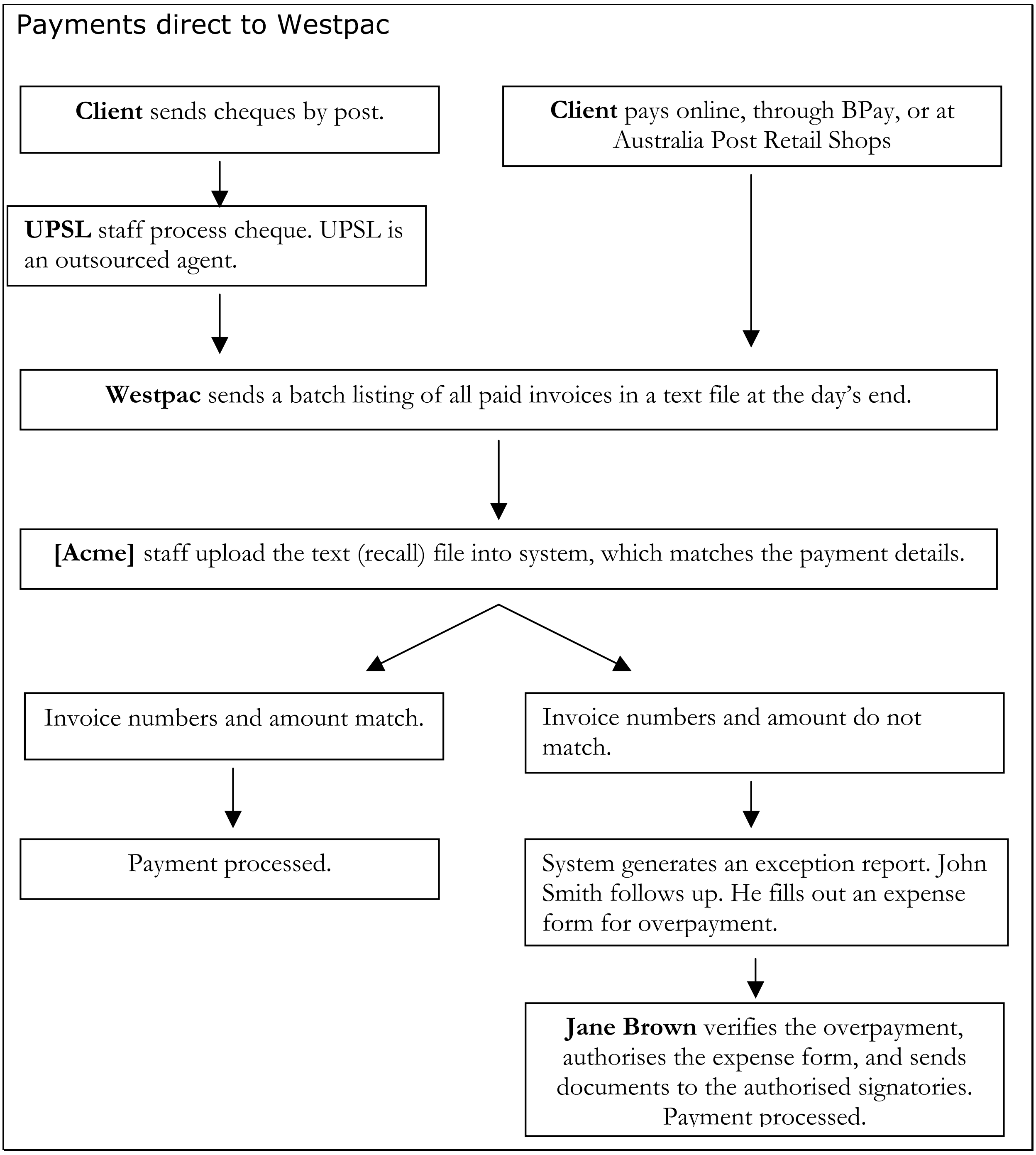
Payments direct to Westpac

Cheques sent by post are received by UPSL. UPSL is an outsourced agent of Westpac. Staff at UPSL open the mail on behalf of [Acme] and process the payment directly though Westpac. Online payments, BPay, and payments made at Australia Post Retail Shops are also processed directly by Westpac.

At the end of each day Westpac sends a batch listing of the invoices paid in the form of a text file, which lists all invoice payments received for the day, to [Acme]. Once this is received by [Acme] the text file (known as the recall file) is uploaded into the system. The system matches the details of the payment in the system. Both invoice numbers and invoice amount must match otherwise the payment is not processed.

An exception report is generated which highlights which invoices cannot be processed due to discrepancies. John Smith is responsible for following up these exceptions. If an overpayment has occurred John Smith fills out an expense form which is checked by Jane Brown. Once she has verified the overpayment the expense form is authorised and sent with documentation to the authorised signatories and then payment is made.

How did you find reading through the text in full narrative sentences? How much easier is the process to understand when you turn to some simple layout:



Not long ago, it took a great deal of time and effort—not to mention special software—to achieve this kind of layout. Now it has become rather routine.

So we're now at the half-way point of looking at the elements of plain English. So far we've covered big-picture things such as purpose, content, structure and design. The second half of plain English has a narrower focus: expression and style.

7. Aim for a 'formal but friendly' tone.

The starting point for your expression is to consider the overall tone you want to write in, and in turn the relationship you want to establish with your reader. Do you want to sound remote, dry, highly formal and heavily technical? If so, then traditional audit-speak will suit you well. But increasingly, clients are expecting more. They expect to be able to understand what they are reading, to have a cooperative conversation that is easy to follow and to act on. In this case, you will need to lighten the traditional tone.

To illustrate, here is a basic piece of information written in an increasingly formal tone. I've formatted it in a scale to help you attune your ear to what we are dealing with:

Tone	Text
1. Informal	Got your note and liked it.
2. Chatty	Thanks for the note. I've read it with interest.
3. Formal, but friendly	Thank you for your letter and for the comments you make in it.
4. Official	I have received your letter and noted the matters you raise.
5. Officialese	Receipt is acknowledged of your recent communication, whose contents have been noted.
6. 19th century	Your esteemed favour to hand of the fourth ultimo; contents of same have been duly noted.
7. Legalistic	Acknowledgment is hereby made of your communication (hereinafter the 'letter') by the undersigned who has apprehended its matter.
8. Biblical	I receiveth unto me thy epistle, and its wisdom escapeth me not.

All of these are in perfectly viable English, so it's not a matter of right or wrong grammar. But which one sets the right balance of content and tone? Traditionally, audit-speak has been at around level 5, where too much audit writing remains. A plain English style would come in somewhere between 3 and 4.

Following is an example from a fairly standard disclaimer about audit scope. Which one is closest to your current writing? Which would your clients prefer to read?

Tone	
5 **Original** 130 words	The purpose of this correspondence is to bring to your attention matters arising from the financial audit of the [Department of Administration] for the year ended 30 June 2008. The audit review was not a comprehensive review of each of the systems and processes and was not designed to uncover all weaknesses, breaches and irregularities in those systems and processes. Inherent limitations in relation to any management process and system of internal control may have the implication that errors or irregularities might have occurred and not been detected during the course of the audit. The audit review did not constitute a complete examination of all relevant data and was not designed to uncover all processing errors and therefore may not have detected all breaches and irregularities that could have occurred.
4 91 words 30% shorter	This letter is to alert you to matters arising from the financial audit of the [Department of Administration] for the year ended 30 June 2008. The audit did not review all systems and processes on a comprehensive basis, and was not designed to uncover all weaknesses, breaches and irregularities. Inherent limitations in management processes and internal control systems may mean we did not detect every error or irregularity. The audit did not examine all relevant data nor uncover every processing error, and it may not have detected some breaches and irregularities.
3 74 words 43% shorter	I am writing about the financial audit of your department for the year ended 30 June 2008. Our audit was not designed to review every system and process comprehensively. The limits in all management processes and internal control systems mean that we may not have detected every error or irregularity. Because our work does not examine all relevant data or uncover every processing error, we may not have found every weakness, breach or irregularity.
2 33 words 75% shorter	I am writing about our audit. We didn't really look at everything, so we probably haven't found every single little problem. Your systems also have their limits, and that stops us finding everything.

Now, I'm not advocating a shift in audit language down to level 2. But I would argue for a tone somewhere between 3 and 4. This will retain content and professionalism while maximising readability and efficiency.

8. Use the simplest words possible to convey your meaning.

But what is it exactly we did in lightening the tone and bringing that sample down the tone scale? Fortunately, it's an explainable technique and readily learnable. The first step is to look at the word choice. The first rule of audit-speak seems to be to choose the longest, most Latinate word. We never 'start' or 'finish' things, or even 'begin' and 'end' them. We write of their 'commencement' and 'termination'. We 'endeavour' instead of 'try', 'utilise' instead of 'use', 'facilitate assistance' instead of 'help'.

Of course, individual words make little difference until you build them into full phrases and sentences. We don't 'think', but 'are of the view that'; we speak of replying 'in the immediate future' instead of 'soon'; about 'transferring payment in the amount of $150' instead of 'paying $150'. By the time you get to whole paragraphs they sound something like this

> We have performed the procedures agreed with you as detailed in the written instructions of 23 January 2003 and described below with respect to the company's procedure in relation to the authorisation of capital expenditure in connection with the Place A project.
>
> Our engagement was undertaken in accordance with Australian Auditing Standards applicable to agreed upon procedure engagements. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the directors.
>
> The procedures performed were solely performed to assist in you ensuring the authorisation of capital expenditure in relation to Place A project was correctly adhered to.

There's plenty of phrasing here that unnecessarily complicates the content: 'performed the procedures', 'with respect to', 'in relation to', 'in connection with', 'undertaken in accordance with agreed upon', 'the adequacy or otherwise', 'procedures agreed to be performed'. None of them carries technical content that cannot be reduced to simpler and more effective expressions:

> We have reviewed how the company authorised capital spending on the Place A project. We used the methods detailed in the 23 January 2003 instructions that you agreed to.
>
> Our engagement complied with Australian Auditing Standards. It will help you to determine whether the company correctly authorised capital expenditure, but directors must decide for themselves whether your procedures are adequate.

Which version would the busy company directors have understood more quickly and accurately?

9. Write in an active style with less than 20 per cent passive voice.

Next along in the elements of plain English is the use of verbs. I'm sure we all remember the basic definition of a verb from school: a doing word. But think for a moment about the implications of that definition: doing implies action, and action implies energy and momentum. This is what verbs can bring to your writing.

One of the features of English grammar is that we have a rather complex verb structure. We change our verb forms to show who is doing or receiving an action, whether they are singular or plural, and what timeframe that action is happening in. Here's an active and clear example:

> After *auditing* this part of the project, we *conclude* that you should *account* for this expenditure as a capital item.

All three actions in this sentence are clear: *auditing, conclude and account*, as are the subjects (we, you) doing those actions. But in audit-speak, we are more likely to drop into far less precise verbiage:

> *Following* the audit of this component of the project, it *is suggested* that *consideration be given* to the *accounting* of this expenditure as an item of a capital nature.

Here we now have considerable verbal debris that a reader must decade to get the same message: *Following, is, suggested, consideration, be, given, accounting.* Seven verb forms instead of the three actual actions. This reduces precision and clarity and it frustrates the hell out of readers.

There are two problematic verb forms here to watch for: hidden verbs and the passive voice. With hidden verbs, we place the action of a sentence in a noun instead of a verb. Because each clause has to have a verb, however, we then add another (redundant) verb:

> Our existing shareholders *expressed approval* of the merger proposal.

The shareholders here might be very expressive people, but the real action is approving, so it's best to put that action in a verb and delete the clutter.

> Our existing shareholders *approved* the merger proposal.

In the original, the verb *approved* was 'hidden' in the noun *approval*. It takes extra mental processing for the reader to puzzle out the main action. While this is not very long in one structure, when hidden verbs multiply they clog up audit writing considerably:

> **Audit-speak**
>
> The committee *will conduct an audit* concerning current leave processing, but the call centre manager *needs to provide a written explanation* of the system first.
>
> **Plain English**
>
> The committee audit *will audit* leave processing, but first the call centre manager *should explain* the current system in writing.

When I first started to work with auditors, I thought that they must be very musical people. Have you ever noticed that you rarely actually audit things? Like in this sample, you are just as likely to 'conduct' or 'perform' an audit instead.

The second verb problem is to write in the passive voice. In this structure, our grammar permits us to leave out the subject doing the action of a verb. Sometimes this is valid when we don't know what the subject is. At other times, leaving it out can confuse your reader and muddy your content:

> **Audit-speak**
>
> It *is expected* that the introduction of new project funding arrangements will go some way to ensure the cost overruns *are addressed*. The situation will *be closely monitored.*
>
> **Plain English**
>
> [Who?] expects that the new program funding arrangements will help address the cost overruns. [Who?] will monitor the situation closely.

Unless you reader is familiar enough with the topic to fill in the missing subjects correctly, they may completely mis-interpret your intended meaning. If this has ever happened to you, look at your verbs. There's a fair chance the passive voice is the culprit.

The uncertainty in meaning that the passive voice causes prompted Christopher Cox, when he took over the helm of the US Securities and Exchange Commission in April 2006, to specifically mention this part of grammar in his very first speech:

> Plain English uses plain words—and, among other basic ingredients, the active voice. We want to promote the use of the active voice not just because it makes for punchier sentences, but because it requires a definite subject to go with the predicate. That's the only way that investors will be able to figure out who did what to whom.

Even if you think the subjects of your sentences are obvious to you, they may not be obvious to your readers. Put them in and you will lift the clarity of your sentences:

> **Audit-speak**
>
> It is important that bank reconciliations *are performed* regularly so that errors or misstatements *are detected* and can *be addressed* as soon as possible. Where bank reconciliations have not *been performed* in a timely manner significant organisational time *is used* investigating reconciling items. (43 words)
>
> **Plain English**
>
> The accounts officer should *reconcile* bank statements regularly to *detect* errors and *avoid* wasting time investigating mistakes. (17 words)

The main reasons auditors object to the passive voice are that at times mandate does not permit them to name the subject and that they want to be diplomatic when writing to their clients. These are at times valid reasons. But a ratio of around 20 per cent passive voice provides for these cases. Unfortunately, auditors go way to far with the passives, using as much as 60-70 per cent passive voice in their writing. The results in fact do far more diplomatic damage.

10. Omit needless words.

So, you've checked that your verbs are active, and the words don't complicate the content without cause. This will help make your text clear and readable, but it won't necessarily be efficient. It's quite possible to write in a clear but wordy style. How do you tell whether you are using too many words to convey your meaning?

The logical answer might be to look directly for the words that aren't earning their keep. The problem is, you can't always spot your own redundancies. If you've ever had the experience of drafting text you thought was as tight as it can be, only for someone to find things that could easily be trimmed, you will have experienced this fact of drafting.

Ironically, it is more effective to look for your clutter by first identifying what is key. Read through your text and mentally (or physically) underline what seem the key words. These should be around two thirds of the total words. If the ratio is below this, scrutinise the words in between and you will be surprised by how much more you can let go of:

> **Audit-speak**
>
> <u>Audit's</u> <u>review</u> <u>indicated</u> that <u>progress</u> had been made in addressing a number of <u>matters</u> <u>raised</u> by both <u>Internal</u> and <u>External Audit</u> in <u>prior</u> years <u>particularly</u> in relation to <u>Management Reporting</u> <u>processes</u> and certain aspects of the <u>department's financial</u> <u>operations</u>. Audit review found, <u>however</u>, there were a <u>number</u> of <u>areas</u> where it was considered <u>controls</u> <u>could</u> be <u>improved</u>. (59 words)

This has 24 key words out of 59 words—that is 41 per cent of key words—which is below the benchmark of two-thirds. We should be able to improve its efficiency. Reading through the key words will give you the essence of the passage, but not a grammatically complete text. To do so, strike out the clutter in between, leaving only some functional words:

> Audit's review indicated ~~that~~ progress ~~had been made in~~ ~~addressing~~ ~~a~~ ~~number of~~ matters raised by ~~both~~ Internal and External Audit ~~in~~ prior ~~years~~ particularly ~~in relation to~~ Management Reporting ~~processes~~ and ~~certain~~ ~~aspects of~~ ~~the~~ department's financial operations. ~~Audit review found,~~ however, ~~there were a~~ number of areas where ~~it was considered~~ controls could ~~be~~ improved.

Then adjust the grammar and link your key words more efficiently:

> **Plain English**
>
> Audit's review revealed progress with matters previously raised by Internal and External Audit, particularly in management reporting and the department's financial operations. However, controls could improve in some areas. (29 words—50% shorter)

I've illustrated this in longhand, but what this sample really shows is the mental process you need to apply while drafting. Just as you need to train for physical fitness, so too you need to strengthen your verbal exercise for a fit writing style. Not only is this text now half the size, but the ratio of key words has risen from 40 to over 80 per cent.

11. Use an average sentence length of around 15-20 words.

The final element of expression to watch for is average sentence length. I say average and I mean average. This doesn't mean you can't have some long sentences, although it is best not to write too many sentences longer than 40 words. But mix in some shorter ones, some medium ones, and try to strike and average length of between 15-20 words. This is about the right average for readers to absorb one piece of information, take a mental breath and move onto the next. If you pile to many pieces of information one after the other, the reader will mentally tire and lose the thread. Here's an example of how one author built up a sentence from a very basic clause:

> The contribution of public sector bodies should be included within the framework

The author then added another clause:

> The contribution of public sector bodies, whose focus is almost entirely on service delivery, should be included within the framework

The next clause identified the owner of this opinion:

> We continue to believe that the contribution of public sector bodies, whose focus is almost entirely on service delivery, should be included within the framework

We now have three ideas: the belief, the contribution to the framework, and the focus. This is still easy to follow as one sentence. However, the author added a qualifying clause:

> Whilst acknowledging the accountability requirements and governance arrangements within public sector bodies, we continue to believe that the contribution of public sector bodies, whose focus is almost entirely on service delivery, should be included within the framework.

The sentence has become unwieldy. Readers must juggle several ideas to identify the main issue. Then the writer went even further by incorporating the case against:

Audit-speak

> Whilst acknowledging the accountability requirements and governance arrangements within public sector bodies, we continue to believe that the contribution of public sector bodies, whose focus is almost entirely on service delivery, should be included within the framework and that non-inclusion in this regard represents a significant accountability gap in the framework.

We now have five clauses. The readers need to remember the qualification (the accountability requirements and governance arrangements), the main idea in the next clause (the Office's belief), and the description of public sector bodies, while they consider the second idea in the second clause (the framework's inclusion), and then the importance of the opposite case (non-inclusion). It is better to break the information into two sentences, and remove the redundant material:

Plain English

> We still believe public sector bodies, with their service delivery focus, should contribute to the framework. Although these bodies have their own accountability requirements and governance arrangements, the framework's accountability would suffer without their contributions.

It is worth noting that British research tested the comprehension of text edited into different sentence lengths, and found that only four per cent of the public could understand a 27-word sentence at one reading. Audit reports often exceed 30-word averages. This sentence was 62 words long. It's a relatively simple matter to break up sentences, and it can prevent your readers from having to work through the text two or three times.

12. Follow established conventions for grammar, punctuation and usage.

Finally, our account of plain English would not be complete without mention of the smaller issues of proofreading and style: grammar, punctuation, spelling, capitalisation, referencing, formatting and numbers. These are often the last things you are thinking of when you are drafting text, yet they can have an accelerated impact on your credibility. I'll never forget the look that crossed one auditor's face when he received his freshly colour-printed report, only to discover the front page title screamed 'Stragetic planning' in bold-and-red, 24-point type.

Proofing carefully is like an insurance premium you simply have to pay, so always allow enough time for it. But make sure you know what you are proofing against, and that means being up to speed with current standards for spelling, punctuation and usage. Get to know your organisation's style guide. Intimately. Get yourself a decent dictionary and usage guide. Use them. And don't be lured into lazy conclusions that 'punctuation isn't important anymore', or 'I was always taught such and such'. Some of the worst errors of grammar I've seen were passed on by English teachers in high school, many of whom received little training in grammar themselves.

If you missed out on formal grammar at school, you are going to have to catch up with it at some point. You wouldn't analyse a set of financial statements without understanding what an expense or a liability are, so why would you expect to be able to evaluate a document without understanding what nouns, verbs, adjectives and adverbs are?

If you went through the school system when they still taught grammar, you need to be equally cautious, but for different reasons. Unfortunately, they taught you overly rigid usage rules such as 'you can't put a comma before a conjunction', 'you can't split and infinitive' or 'you can't start a sentence with a conjunction'. If you are still applying these, you also have some catching up to do, because you are writing more sophisticated documents than these rules were intended for.

3. What evidence is there for plain English?

So that's a brief overview of the elements that make up a plain English style. For those of you wanting more detail, you can turn to one of the current texts aimed at helping professionals with workplace writing. There are some good consultants out there, some of whom specialise in working in the audit sector. In 2009, Sydney is also playing host to the seventh biennial Plain language Association InterNational conference. This will include a half-day seminar for the finance sector presented by some of the world experts in plain language, including the director of the plain English program at the Securities Exchange Commission in the United States[5].

As the 'before' and 'after' samples we've been viewing show, a plain English approach tends to be clearer and more precise. It is certainly more readable and unquestionably more efficient. This makes the content more persuasive and easier to use. But what exactly do these linguistic benefits translate into, and what evidence is there to support a move toward plain English?

Improved client satisfaction

Firstly, there is growing evidence that plain English improves client satisfaction. If you'll indulge me, I'd like to quote one case study of an organisation I've worked closely with: the NSW Audit Office. The Office has been a leader in adopting plain English in its reports, client documents and audit opinions. It did so through a comprehensive program of training, template engineering, and development of support documents such as style guides. At the start, there were dark mutterings among the old guard that this would compromise their professional relationships with clients by turning their language into a kind of 'baby talk'.

So the Office decided to survey its key readers about the effectiveness of its reports. The main readers fell into two categories: parliamentarians and agency clients. Unfortunately, we don't have baseline figures of what satisfaction was like before introducing plain English, but as we changed the office's voice over the several years, the numbers clearly showed satisfaction rising to a very high standard [6]:

	Satisfaction 2000 (pre-program)	Satisfaction 2003 (mid-program)	Satisfaction 2008 (late program)
Agency clients Satisfaction with reporting	N/A	62%	78%
Parliamentarians Reports clearly identified issues and implications	N/A	82%	91%
Reports easy to understand	N/A	82%	92%

These numbers were supported by anecdotal feedback from auditors, some of whom in follow-up workshops expressed their surprise at the positive feedback from clients about the new style. Comments ranged from 'I now actually read your reports' to 'Your reports make so much more sense than our internal audit documents'. Far from harming the professional reputation of the Office, plain English actually lifted it.

The evidence outside the audit world mirrors this experience. A number of the medium to large law firms moved towards plain English in the 1990s, many establishing plain English positions in their precedent departments. As Michele Asprey has recounted of her experience in one Australian firm, it really took off when partners realised that clients were coming to the firm specifically because of its commitment to plain English[7].

There is also evidence of the commercial costs that flow from the traditional officialese style. The Royal Mail in Britain surveyed customers about the writing they receive from businesses, and found that nearly a third had stopped buying products specifically because they received poor writing. It estimated that British businesses lose up to £5 billion a year because of pretentious, inappropriate or error-ridden writing. The most interesting result from this research is that consumers ranked good communication as the most important factor in building a long-term relationship with a business, even ahead of value for money and competitive pricing.

Maintained technical and legal accuracy

So the client preference for plain English is fairly clear. But what about those fears about technical accuracy? Does plain language increase the risks of clients misunderstanding technical concepts and litigating as a result? We can turn closer to home for some evidence that this simply has not been so. The NRMA in Australia converted many of its policy documents to plain language nearly 30 years ago. Here's how the company solicitor described their experience:

> When our first Plain English policy wording was released, Mr Justice Reynolds in an address the Australian Insurance Institute suggested [it] might be at the expense of legal exactitude or, put in another way, might give rise to litigation over particular wordings which would not have arisen had traditional wordings been used. No such increase has occurred—on the contrary litigation has been reduced in this regard.

Similarly, I'm not aware of any audit office, having adopted plain English, reporting problems with technical accuracy or litigation as a result.

In fact, the legal comfort with plain English has recently extended as far as the United States Supreme Court, which restyled its rules of procedure. This project was run by Joe Kimble, Professor at the Thomas Cooley Law School in Michigan. He reports that often, when he translated a traditional rule into plain English, the original wording had so much ambiguity that it technically did not actually represent the conventional meaning ascribed to it. The project helped to clarify some rules by attuning the language to the legal meaning more precisely[8].

Increased efficiency

But perhaps the most convincing case for a plainer style comes from the reduced costs and increased efficiency it can bring. You will have noticed that the edited versions of the examples I used today reduced by up to 40 per cent. I regularly find that converting audit-speak to plain English cuts text by a minimum average of 25 per cent without losing any content. Surveys of participants in our workshops also reveal that it commonly takes people half the time to write a plain English report compared to when they used the old style. More importantly for managers, the number of times that drafts go back and forth with authors also roughly halves, and this greatly reduces their own quality review time. Instead of spending hours wading through dense audit-speak and marking up grammatical errors, they can refocus on higher-level tasks. As one put it in a survey: 'I also got my weekends back!'

A recent case study in a utility puts some numbers on this. The utility changed the structure of its reports to the Board, moving away from the traditional narrative to adopt a telescoping structure. It backed this with a training program for staff writing Board papers. Within the first month, the length of Board papers halved. It estimated that the overall saving in editorial time in the Managing Director's office was between 30 and 40 per cent. The Board loved the new format.

This is a case where plain English improved productivity internally for an organisation. It also suggests that, even when writing to a fellow technician in your field, plain English brings considerable benefits. A landmark study by the Victorian Law Reform Commission certainly bears this out. This study tested plain English by giving two equal groups of lawyers copies of the Takeovers Code—one in plain English and one in its original form. The lawyers with the plain English version were able to answer a series of questions in one-third to one-half of the time. At the same time, the Commission redesigned and re-wrote an old court summons. It saved so much time that the Attorney General's Department re-assigned 26 staff and saved $400,000 a year. That was just one form!

There are even more case studies from overseas. In the United States, the Navy estimated that plain language memos would save as much as $350 million a year in staff time. A review of government forms in the UK saved about £9 million. A new redirection of mail form for the Royal Mail reduced its error rate from 87% and saved £500,000 in the next nine months alone.

Plain English can also save millions in large commercial transactions. When a British Aerospace aircraft lease was re-written into plain English, it cut the document by two thirds. Its first use in a $180 million transaction helped to finalise negotiations in six and a half weeks instead of the usual six months. In Australia, the NRMA estimated its savings at $500,000 a year.

Improved operations and services

So clients are satisfied, technical content is still safe and money is saved. But what about the effectiveness of your service itself? Again, there are some useful case studies we can learn from. In one example, the United States Department of Veteran's Affairs received several hundred new requests each year for veteran's benefits. It replied with a standard letter, then had counselors available to help applicants by telephone. A study by Daniel and Schuetz[9] estimated that in one year, for 750 letters sent out, the Department received 1,128 calls. That's approaching two calls for every letter. Applicants only have 60 days before their claim is denied, and many of them found the letter so hard to read that they missed the deadline. Inevitably, eligible veterans did not receive their due benefit. When the department changed its writing, it sent out its new letter 710 times, and received only 192 calls. The audience now found the document clear and effective. The chances of the department delivering its services increased as a result.

Just as importantly, however, are the improvements that can then flow to decision making. Senior managers often comment that, after introducing plain English, they 'now read more of our people's work'. It means they can scrutinise the content closely instead of putting in long hours correcting the commas. As one put it in a qualitative survey 'clearer writing has also helped us to think much more clearly'. A manager in one audit organisation I've worked with said that after changing their writing approach, they realised they really couldn't justify some of the actions they were recommending. Changing the writing altered the content and improved the results.

Growing mandate in legislation

These examples explain why plain language is now being enshrined in legislation in many countries. Sweden was one of the first to back the move, with support at the highest levels of government and among parliamentary drafters. Mexico is adopting what it calls 'citizen language' in recognition that hazy language is a fertile basis for corruption. Several States in America have adopted plain English laws, led by New York State in 1978 requiring leases and consumer contracts to be clear. In South Africa, the new *National Credit Act* has also mandated plain language in all credit documents, and supplied a useful definition along the way:

> **64.** (1) The producer of a document that is required to be delivered to a consumer in terms of this Act must provide that document-
>
> (a) in the prescribed form, if any, for that document; or
>
> (b) in plain language, if no form has been prescribed for that document.
>
> (2) For the purposes of this Act, a document is in plain language if it is reasonable to conclude that an ordinary consumer of the class of persons for whom the document is intended, with average literacy skills and minimal credit experience, could be expected to understand the content, significance, and import of the document without undue effort, having regard to-
>
> (a) the context, comprehensiveness and consistency of the document;
>
> (b) the organisation, form and style of the document;
>
> (c) the vocabulary, usage and sentence structure of the text; and
>
> (d) the use of any illustrations examples, headings, or other aids to reading and understanding.[10]

But perhaps the most significant recent event for plain English was the passing in April 2008 of the Brayley Bill in the US Congress. It narrowly missed out on getting through the Senate before the US election, but has recently been resubmitted to the new Congress and stands a very strong chance of passing into law in 2009. Its purpose is:

> To enhance citizen access to Government information and services by establishing plain language as the standard style for Government documents issued to the public, and for other purposes.
>
> (2) PLAIN LANGUAGE.—The term "plain language" means language that the intended audience can readily understand and use because it is clear, concise, well-organized, and follows other best practices of plain language writing.
>
> SEC. 4. RESPONSIBILITIES OF FEDERAL AGENCIES.
>
> (a) REQUIREMENT TO USE PLAIN LANGUAGE IN NEW DOCUMENTS.—Within one year after the date of the enactment of this Act, each agency—
>
> (1) shall use plain language in any covered document of the agency issued or substantially revised after the date of the enactment of this Act;
>
> (2) may use plain language in any revision of a covered document issued on or before such date; and
>
> (3) shall, when appropriate, use the English language in covered documents.

Strong support from regulators

The Brayley Bill in the United States follows a decade of advocacy from the top financial regulator, the Securities Exchange Commission (SEC). In 1998, the SEC introduced a *Plain Language Handbook* to help organisations meet its requirements to use plain English in financial reporting and disclosure documents[11]. The then SEC Chairman Arthur Levitt explained at the time that 'I've been around our markets most of my life and I can't understand much of what passes for disclosure'.

The role of plain English in clear disclosure documents is even more important in the wake of the current financial crisis. Have a look at some of the worst wreckage and you will find plenty of examples of evasive finance-speak. Companies didn't have bad debts, but 'non-performing assets'. Instead of losing money, they experienced 'negative cash flows' or 'net profit revenue deficiencies'. And there was a clear relationship between financial spin and financial performance. One US survey found that companies scoring high in spin posted results up to six times worse than those that write in plain English. Only 11 per cent of the top 25 firms lapsed into jargon, but more than half of the bottom 25 firms did.

A classic Australian case study is the collapse of the insurance giant HIH. As it was going down the gurgler, its financial statements and reports were peppered with 'intangible assets', 'increments to good will', and 'recoveries under reinsurance contracts'. When a report on the parlous cash flow did emerge, directors were told the group was 'delicately poised'. To fix the problem, managers were employing what they called 'aggressive' accounting practices, which the Royal Commissioner Neville Owen described as 'a euphemism for accounting treatment that … disguised the seriousness of the situation and the consequences of leaving it unchecked'. It is little wonder that he called for all 'audit reports to be presented in plain English'.

The Australian corporate regulator ASIC is also a strong exponent of plain English, not only in encouraging corporations to use it, but in modelling plain English practice in its own guidelines, forms and documents. In 2005, ASIC issued a policy on what it expects before it would approve an industry code of conduct. The very first point was that a code should be 'freestanding and written in plain English'. In 2008, it publicly backed the example statement of advice released by the Financial Planning Association because it was 'written in plain English and tested with consumers'. It commented that 'a short and simple document that talks to clients in their language is much smarter than technical jargon and legal mumbo-jumbo'[12].

Public sector auditing leading the way

Which brings us to the audit profession itself. Where has plain English been gaining ground? In many ways, it is fair to say that public sector auditing has been taking the leading. An important early adopter internationally was Canada, where audit offices in British Columbia and Alberta in particular converted to plain English in the 1990s. Some have recently adopted the Wordsmith 'Clarity' model as a standard for audit report writing[13].

The public sector has led the way in Australia as well. Since 2001, four of the seven Auditors General in Australia have introduced plain language programs involving retraining for virtually all of their staff, along with changes to report formats, client documents and procedures such as style guides. The former NSW Auditor General summarised this push well when he introduced one volume of audit reports as follows:

> … hopefully Volume 5 will strike a positive note with readers because of its revised layout and "plain English" approach. It's not always easy to convey our views on auditing and financial issues in a way that our audience can readily grasp. But it's important that we do so. If we really believe that as public sector auditors we have a wider role in raising issues of public accountability, then we aren't fulfilling that role if we don't get the message across.[14]

In the private sector, the picture is probably more mixed, although there are fewer documents publicly available to assess the status of report writing. Plain language certainly does have a presence in the 'big four' assurance auditing firms, some of whom have positions dedicated to plain English. But even a cursory look at their websites shows that there is still a deal of un-plain language in use. For the average small business or strata scheme going to a local accountant, plain language has yet to make little impact.

Conclusion

What are my conclusions about plain English reporting?

Firstly, plain English is not going away. There is a significant and permanent shift happening in the language of auditing. In this respect at least, it is an interesting time to be part of an evolving profession. Plain English has enough supporters and track record that it will increasingly become the standard for future communication in the audit sector.

This will in turn help to improve the services you offer and boost client satisfaction. But it will also be good for business, not just by raising customer satisfaction, but by trimming costs and lifting your own productivity. The transition to plain English will not necessarily be easy, as it requires changes in attitudes as much as in skills. But just as you constantly update your audit methods or your information technology, you will also need to scrutinise your language. In short, you will constantly need to audit your reports to comply with plain English.

Dr Neil James is Executive Director of the Plain English Foundation in Australia, which combines plain English training, editing and auditing with a public campaign for more ethical language practice.

Before setting up the Foundation in 2003, Neil worked as a policy officer in the NSW Cabinet Office and as Principal of Halstead Communications. He completed a doctorate in English at the University of Sydney and has published more than 50 essays, articles and reviews on language and literature. His three books include Writing at Work*, which is rapidly becoming a standard reference for professionals writing in the workplace.*

Neil has extensive experience helping auditors to make their writing as clear as possible, particularly in the public sector. He has developed writing programs for Auditor Generals' offices in NSW, Victoria, South Australia and Western Australia, which have now trained more than 1,000 auditors in how to write in plain English. These programs have brought significant changes to parliamentary audit reporting in Australia.

In recent years, Neil has also taken a leading role in developing his own field, having been elected to chair the International Plain Language Working Group, which has representatives from 10 countries. The Group is developing the first international standards for plain language, along with a system of accreditation and training for practitioners. To cap off an intensely busy year, the Plain English Foundation is also hosting the seventh biennial conference of the Plain Language Association InterNational (PLAIN) in Sydney in October 2009.

Endnotes

[1] Martin Cutts, The Oxford Guide to Plain English. Oxford, Oxford University Press, 2004, p. 4.

[2] Center for Plain Language <http://www.centerforplainlanguage.org>.

[3] Plain English Foundation <http://www.plainenglishfoundation.com>.

[4] For more on structural models and the Souther study, see Neil James *Writing at Work: How to Write Clearly, Effectively and Professionally*, Sydney, Allen and Unwin, 2007.

[5] The two texts available in Australia worth turning to are Cutts, *Op Cit* and James *Op Cit*. Also see <www.plainenglishfoundation.com> for details of the forthcoming PLAIN conference.

[6] These figures are drawn from the 2008 Annual Report for the NSW Audit Office, averaging the results for performance audit and financial audit reports. See <http://www.audit.nsw.gov.au/publications/publications.htm>.

[7] See Michele Asprey, *Plain Language for Lawyers*, Third edition, Sydney, Federation Press, 2003.

[8] Many of Kimble's valuable case studies are available online at <www.plainlanguagenetwork.org/kimble/>.

[9] For the form letter and case study, see Joe Kimble, 'Writing for Dollars, Writing to Please', originally published in the *Scribes Journal of Legal Writing*, but also available at <www.plainlanguagenetwork.org/kimble/>.

[10] For a useful account of the Act, see <http://www.simplified.co.za/default.aspx?link=thinking_legalframework>.

[11] The Handbook is a useful reference, and can be downloaded online at <www.sec.com>.

[12] For more detail, see, press releases 'IR 05-08 ASIC releases policy on approving codes of conduct' and 08-138 ASIC supports FPA statement of advice project', both available at <http://www.asic.gov.au/asic/asic.nsf>.

[13] Devised by Christine Mowat of Wordsmith Associates, the Clarity model is outlined in Christine Mowat, *A Plain Language Handbook for Legal Writers*, Scarborough, Carswell Legal Publications, 1998.

[14] See NSW Audit Office reports to parliament at <http://www.audit.nsw.gov.au/publications/publications.htm>.