

How do I know if my program is performing?

Measuring performance is a difficult task; there are no laws or regulations that demand your program (whether it be a compliance program or program of internal control over financial reporting) is efficient or delivers business value. Here's a look at going beyond effectiveness to deliver total program performance.



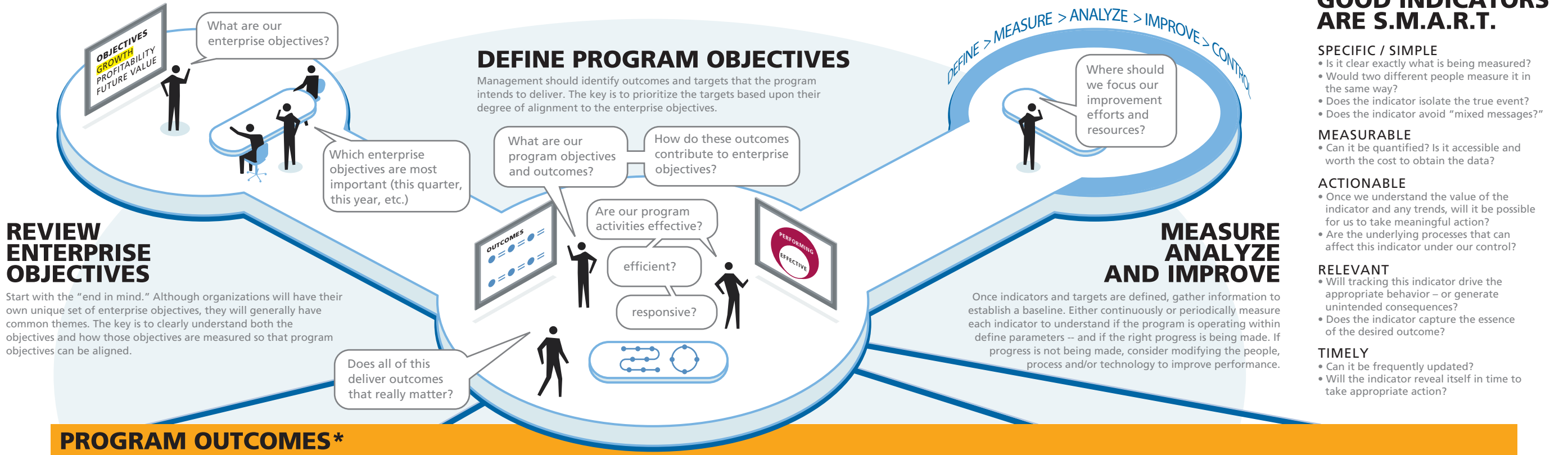
EFFECTIVENESS

The basis of all evaluation, "effectiveness" looks at whether the program is logically designed to address all key risks and requirements, and whether it is actually operating as designed.

PERFORMANCE



"Performance" looks at effectiveness, efficiency, responsiveness and overall value beyond simply meeting legal and regulatory requirements.



GOOD INDICATORS ARE S.M.A.R.T.

- SPECIFIC / SIMPLE**
- Is it clear exactly what is being measured?
 - Would two different people measure it in the same way?
 - Does the indicator isolate the true event?
 - Does the indicator avoid "mixed messages?"
- MEASURABLE**
- Can it be quantified? Is it accessible and worth the cost to obtain the data?
- ACTIONABLE**
- Once we understand the value of the indicator and any trends, will it be possible for us to take meaningful action?
 - Are the underlying processes that can affect this indicator under our control?
- RELEVANT**
- Will tracking this indicator drive the appropriate behavior – or generate unintended consequences?
 - Does the indicator capture the essence of the desired outcome?
- TIMELY**
- Can it be frequently updated?
 - Will the indicator reveal itself in time to take appropriate action?

PROGRAM OUTCOMES*

	<p>CULTURE Does the program inspire a principled culture of performance, accountability, trust, and open communication?</p>		<p>PREPARE Does the program actually prepare the organization to address key risks, noncompliance and unethical conduct?</p>		<p>DETECT Does the program actually detect weaknesses, noncompliance and unethical behavior when it occurs?</p>		<p>IMPROVE Once the organization detects and responds to a weakness, is the weakness actually fixed so that similar events do not materialize in the future?</p>		<p>OPTIMIZE COSTS Does the organization continuously optimize costs to deliver similar or even improved outcomes?</p>
	<p>PREVENT Does the program actually prevent weaknesses, noncompliance and unethical conduct?</p>		<p>PROTECT Does the program adequately protect the organization from negative consequences if/when noncompliance and unethical conduct materialize?</p>		<p>RESPOND Does the program appropriately and quickly respond to adverse events once they are detected?</p>		<p>REDUCE LOSS Does the program reduce the tangible and intangible damage caused by noncompliance and unethical behavior?</p>		<p>ENHANCE STAKEHOLDER VALUE Does the program improve stakeholder perceptions of the organization?</p>

*NOTE: GRC Program refers to the full suite of enterprise processes that help an organization stay within boundaries, protect value and address uncertainty as it drives toward objectives and creates value. These processes include (among others) the governance, risk management, compliance, ethics and internal audit functions and key programs such as the compliance program and the program of internal control over financial reporting (ICFR)