

Compliance and Risk

The Organisation IS the System

An information management framework

Compliance and Risk – 4 Compliance Monitoring

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About the Author:

- Allen Woods, retired several years ago....
- Ex British Army (1971 – 1995) Taught Arctic Warfare, Several Years On Operations, Funded Himself through College to Study IT
- Chartered Member of the British Computer Society for 20 years
- Member of the Chartered Status Interview Panel for BCS
- In 2010, Finalist of UK “Developer Of The Year” Competition for MOD HSIS
- Primarily Employed in UK Defence Supply Chain and Logistics IT since 1995 until 2019
- Credits: MoD Health and Safety Information System, Various Internal to Defence P&G Portals, CATMIS, IQB Oversight to Defence Voyager Programme IM Transformation and more...

Compliance and Risk – 4 Compliance Monitoring

Index

This deck is part of a series.

The other decks in the series are:

Compliance and Risk – [1 Introduction](#)

Compliance and Risk – [2 The Point of a Portal](#)

Compliance and Risk – [3 Legislation Library](#)

Compliance and Risk – [4 Compliance Monitoring](#)

Compliance and Risk – [5 Emergence and Risk](#)

More detail on the nature of the tools illustrated in this series can be found [here](#)

In addition, viewers may find it useful to review the series on document management which can be viewed [here](#)

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Some Revision

If the viewer has not seen them, decks 2 and 3 of this series should be viewed before continuing. Links to the two decks are available below

Compliance and Risk – [2 The Point of a Portal](#)

Compliance and Risk – [3 Legislation Library](#)

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Introduction

Decks 2 and 3 of this series illustrated the reasoning behind building an internal web portal as a gateway into the wider information management infrastructure, with the second setting out, in principle, how external documents, like primary legislation, that have a sufficiently robust structure, could be integrated into your organisation's body of knowledge.

This deck takes that a stage further and introduces the idea that documents like primary legislation place an emphasis on being in a position to prove your organisation is meeting the standards set therein.

As there is the need to meet standards set by regulators, then that suggests an operational requirement to be able to prove such standards are being met. This deck sets out, at the level of operating principle, how that standards compliance requirement may be met on the basis of continuous and maturing improvement.

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Caveats

This deck is based on considerable experience developing compliance audit tools in support of a variety of regulatory forms, The basis for audit being a question bank, supported by a summary report writing capability with the audit being carried out and recorded by subject matter experts.

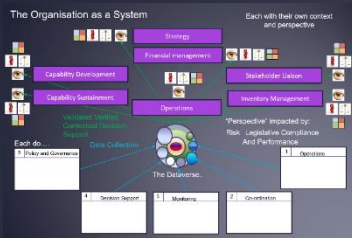
Needless to say there are other compliance audit methods that could have been applied but they were not. Viewers are advised to treat what follows as a guide.

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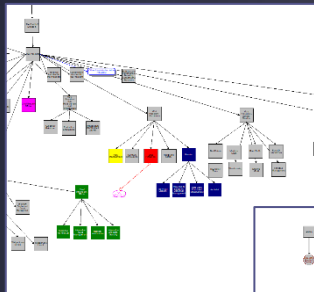
Part One – The Foundation. Continuous Improvement
and Capability Maturity

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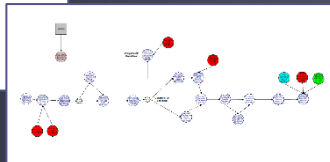
Each Core Function Has Its Own Compliance Concerns



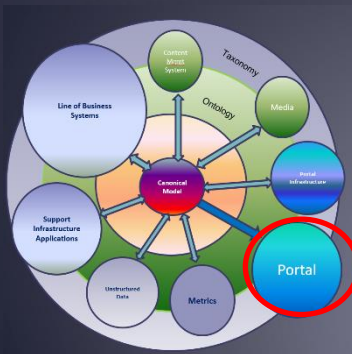
Each core business function has its own compliance issues driven by legislation and professional standards specific to each.



A digital map of the organisation structure
And an associated digital process catalogue, with supporting documentation



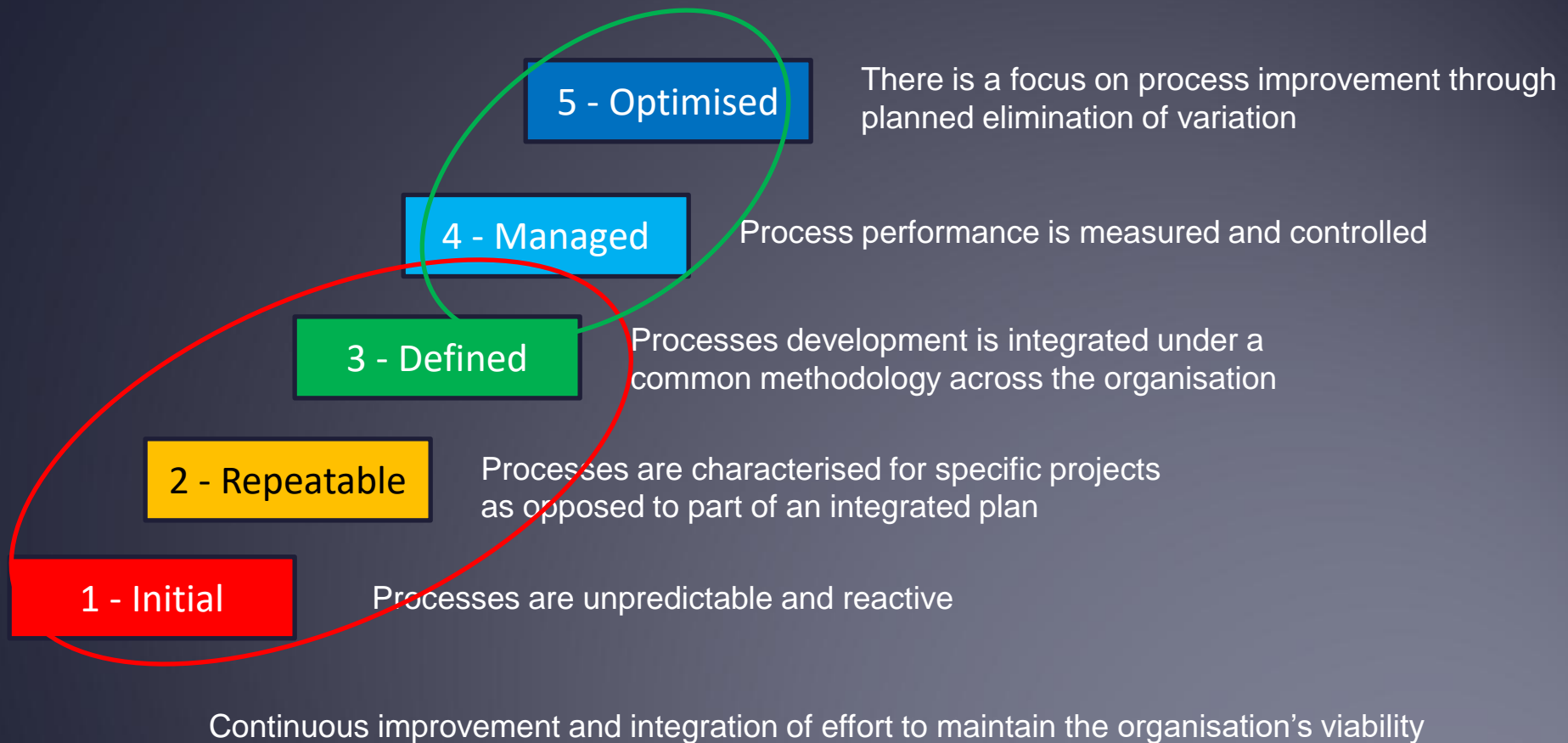
Lends itself to the concept of the development of a portal
as a gateway into the organisation's “dataverse”



What then becomes feasible and easier to implement, are the twin concepts of “continuous improvement” and “capability maturity”

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Capability Maturity

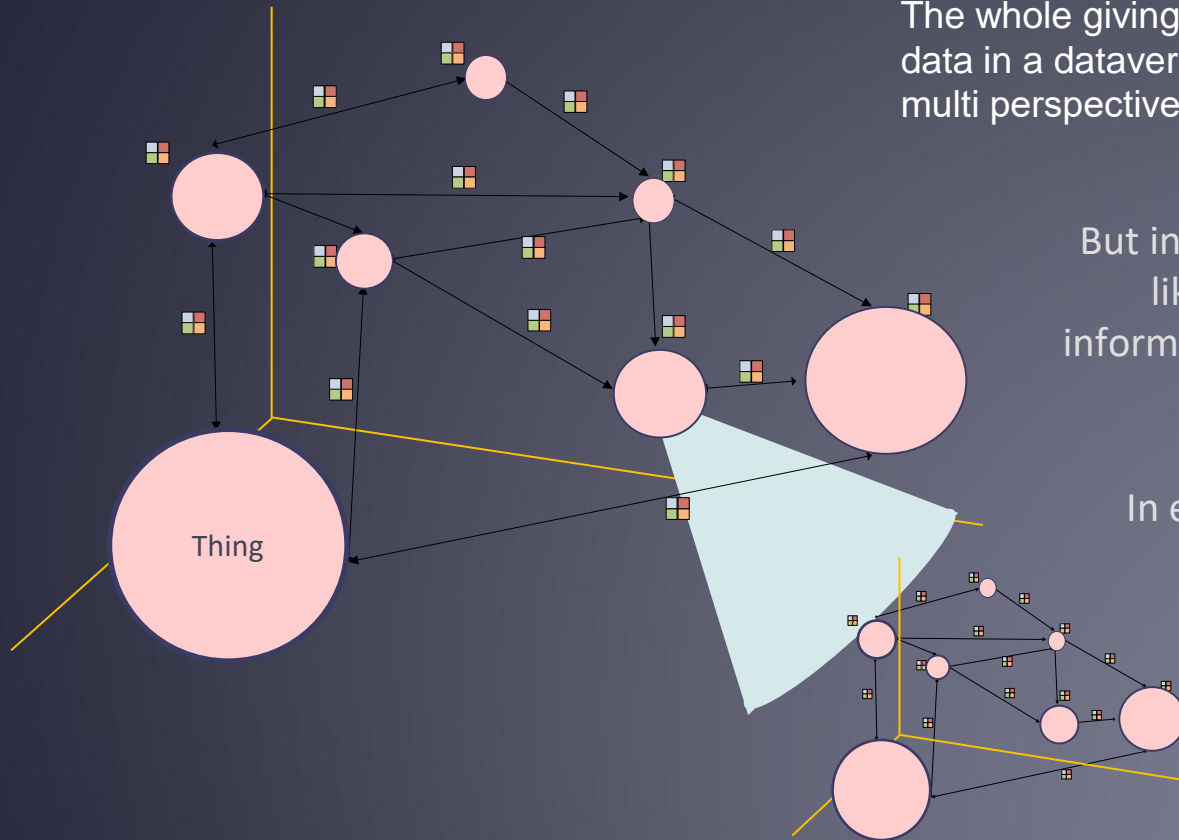


Capability Maturity Model Integration **is the next step.**

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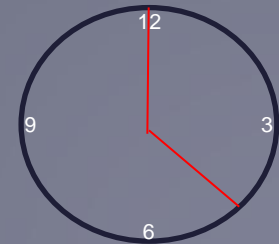
Once Capability Integration Is Achieved.....

The whole giving rise to the means to treat all data in a dataverse as a multi dimensional, multi perspective “graph schema”



But in addition, to support Fractal like decomposition as the information requirement gets more specific

In effect, a new form of geometry



All constrained by time

Regulatory Compliance forming part of an organization wide single graph schema

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Part Two – The Control Chart – Some Background

Compliance and Risk – 4 Compliance Monitoring Measurement, Some Key Names...



Charles S Pierce [Design of Experiments](#)

Walter Shewart [Control chart](#)

W E Demming: [System of profound knowledge](#)

Lillian Moller Gilbreth: [Industrial Psychologist](#)



Edward Tufte: [Information Design](#)

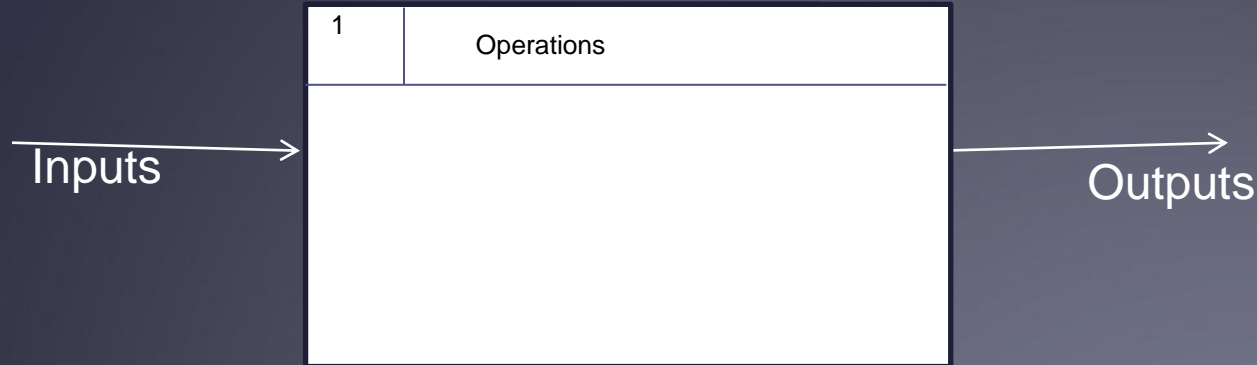
The next few slides are an introduction to the presentation of “information” of the kind that regulatory compliance lends to it respect of process level audits.

The core method of presentation is the “control chart” as devised by Walter Shewart. However, the control chart developed by the author of this deck was adapted by taking into account the principles of measurement espoused by applying the theories tools and methods (where applicable and doable) of the other four people listed here.

Of them all, the work of Charles S Pierce and the “design of Experiments” is particularly important. What is presented here is just one way of solving how to monitor legislative compliance as an ongoing capability improvement exercise.

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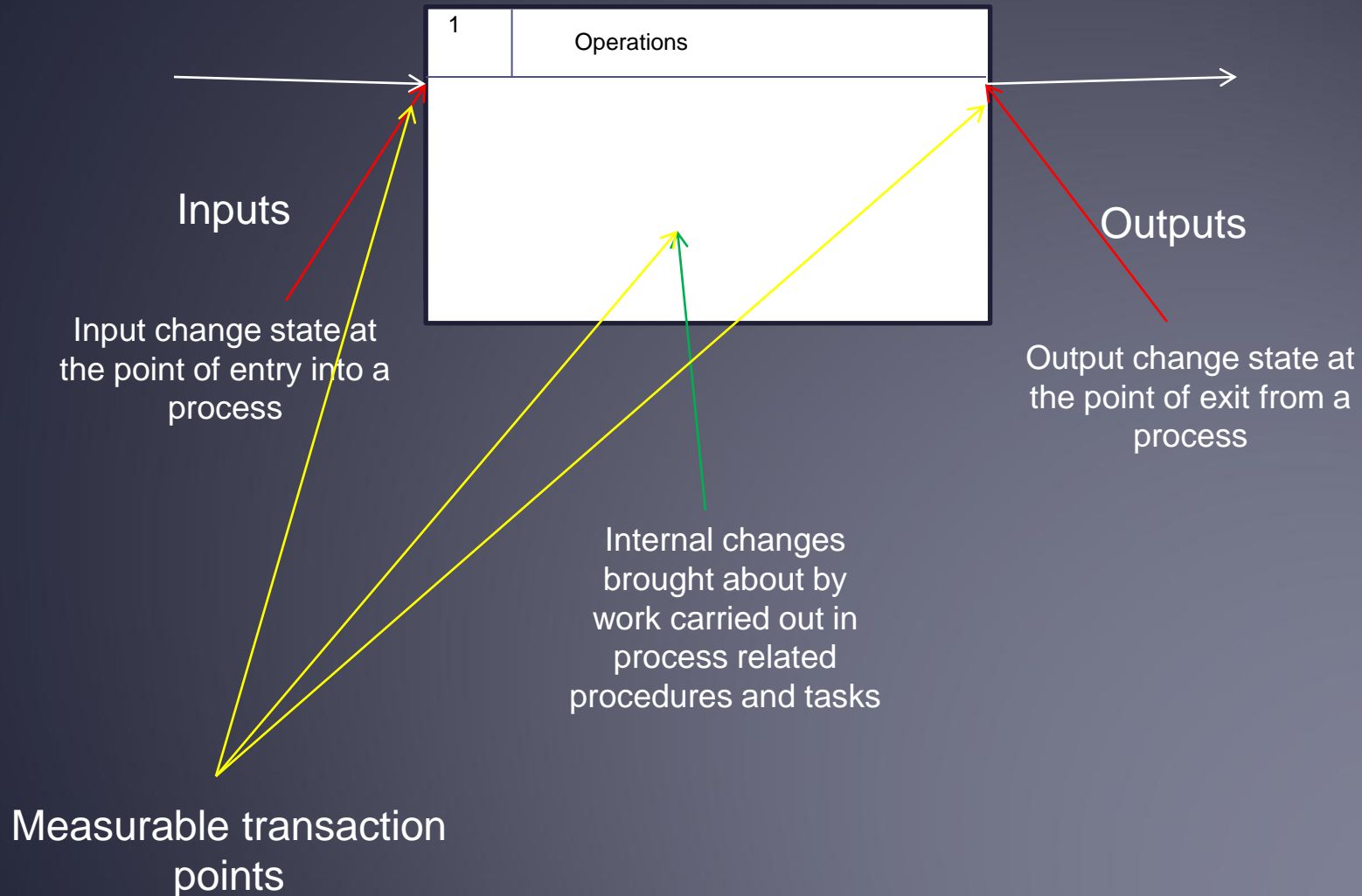
Principles of Measurement



- Data collection for performance monitoring purposes occurs at the process level
- Metric data should support the identification of changes in the maturity state of goods or services being developed or delivered in the process under review when using the resources allocated to it.
- A possible work breakdown taxonomy is Process -> Procedure -> Task

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Principles of Measurement



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The Control Chart

Qualitative or Quantitative Scale



The aim of performance measurement is to reduce or eliminate variation at the process level. The tolerances, “best” and “worst” behaviours can be moved up or down the “Y” axis and act as change levers

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Part Three – Designing Process Level Compliance Audit

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Developing A Question Bank

In order to exploit the combination of a digital organisation map and external data/documents like primary legislation, there is a need to design a way to use the combination effectively.

For the purposes of this exercise, the key aim is to contextualise primary legislation which, as a spin off, should be capable of being adapted for quality assurance purposes. This section of this deck is about one form of adaptation..

Which is to use external authoritative data as a focus for developing a process level audit toolkit such that it can be used to measure improvements in legislative compliance efforts.

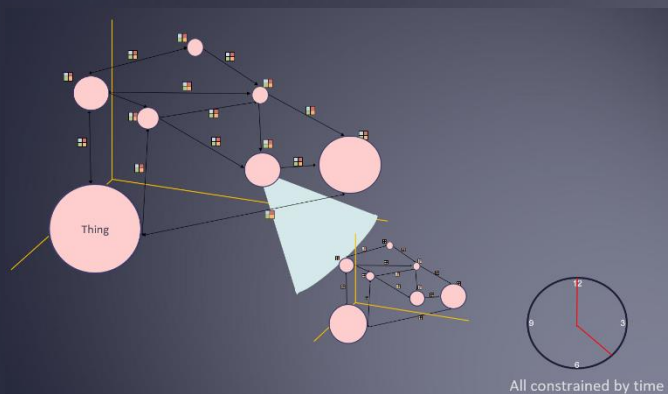
For the purposes of this slide deck, the monitoring vehicle is an audit mechanism, based on a series of carefully considered questions part of the responses to which can be scored subjectively

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Question Bank Data Table Structure



Any compliance related question bank has to reach a compromise, to be general enough in structure that it can be used across the organisation on a central basis and be relevant to all organisation elements whatever their compliance concerns

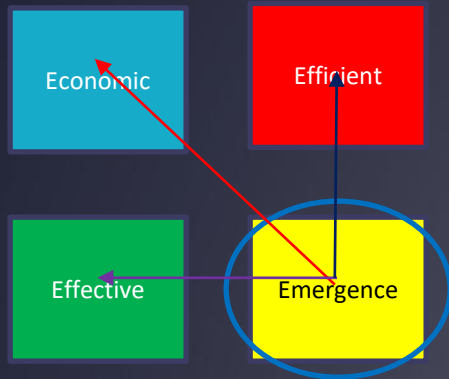


And can factor in the need to support relevance in respect of contextually sound evidence delivery across the organisation, which implies a means to identify and exploit relationships between “things” that may exist

Which suggests questions and response collection is a matter of database design first and foremost

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Question Design, Text and Perspective



Assuming four key perspectives or gateways, given the organisation has little or no control over external standards definition, regulatory compliance is an emergent issue.

But there are relationships across primary perspectives that if designed into the question bank design can be exploited for context purposes

Preliminary Question Bank Design

Question ID	Unique Question Identifier	Live Question State Indicator	Questions may become redundant but the responses may need to be retained
Legislation ID	Legislation Identifier (Drawn from legislation library)	Question Text	The complete text of the question
Perspective ID	Primary Perspective ID	Date Stamp	The Date the question was created
Sponsor Dept ID	ID of the question sponsor drawn from an organisation map	Creator Role ID	The role title of the question sponsor

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Question Design, Weighting and Tolerances



For each question in the question bank, in order to facilitate three point score (achievable, best and worst) tolerances indicators are built into the question design.

A final weighting indicator based on the concept of “significance”, is included in the question record design.

The purpose of it, is for audit scheme owners to “weight” individual questions in any audit scheme.

Achievable
Mean

Achievable mean indicator

Best Case

Best case indicator

Worst Case

Worst case indicator

Significance
Weighting

Significance weighting

Scoring of individual questions based on an “compliance assessment percentage value” as decided by individual auditors

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Compliance Report Structure

The screenshot shows a Microsoft Word document titled "compliancereportword - Microsoft Word". The document is a compliance report template. It features a header section with the title "The Old Geeks School" and a table of contents. The main body of the report contains a list of questions, each with a corresponding score. The footer section includes contact information for "The Old Geeks School".

Question	Score
1. What is the purpose of the audit?	1
2. What is the scope of the audit?	1
3. What is the objective of the audit?	1
4. What is the methodology of the audit?	1
5. What is the conclusion of the audit?	1
6. What is the recommendation of the audit?	1
7. What is the follow-up of the audit?	1
8. What is the overall score of the audit?	1

This screen shot is taken from a copy of a demonstrator report of a sample compliance audit used to explain operating principle

It is a multi part report typical of quality assurance audits, but one generated by the quality assurance capability built into a portal. The parts of the report are:

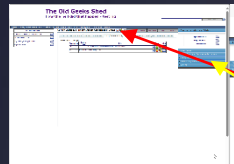
The report header block which contains the audit report date and time, the kind of quality assurance report it is, an auditors summary and a “grand score” for the inspection concerned

A listing of individual questions in the audit question bank and the relevant scores

A report footer providing details of the role of the auditor who carried out the review, review sign off date and other report identifier information

Needless to say, besides the question bank, a compliance audit report capability must also support header and footer component

Compliance and Risk – 4 Compliance Monitoring On Line Portal Report Structure



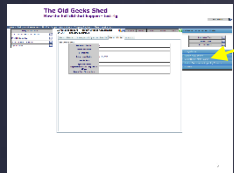
Front end audit report catalogue



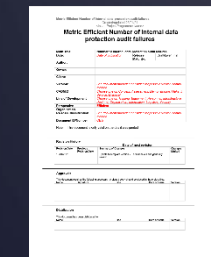
Audit report tabbed interface displaying a report header



Audit report tabbed interface displaying audit inquiry results



Audit report tabbed interface displaying a report footer



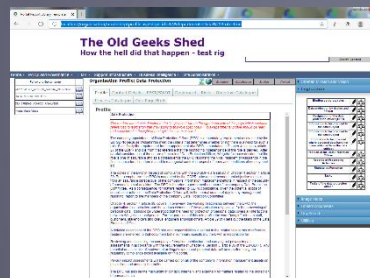
The hard copy structure should be replicated in the relevant portal pages

However, reports should include “native” graphical results analysis, on any part of the tabbed interface

And access to supporting document files where appropriate



And be accessible via the legislation library



And be accessible from any relevant portal gateway like the organisation element under review

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The Next Step...

The next deck in this series will illustrate the idea that if the idea of the “organisation IS the system” is implemented and there is a digital organisation map that represents the organisation as a system, then the map forms the glue that supports many, many forms of connection between “things”.

In the case of this series of slides, so far, the aim has been to illustrate how legislative compliance audits can be designed and implemented such that they form a reliable part of organisation wide performance reporting that will be available on demand across the organisation

The next step is to be able to use the kind of nuanced compliance scoring mechanism set out in this deck to be in a position to detect emergent issues, over time and from that, to be able to integrate issues compliance reporting into risk monitoring

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That's all folks.....

The original deck and others, are available on request, free, using any of these means to get in touch:

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