Economist Intelligence Unit

The Economist

Bank compliance
Controlling risk and improving effectiveness

A report from the Economist Intelligence Unit
Sponsored by Oracle

Preface

Bank compliance: Controlling risk and improving effectiveness is an Economist Intelligence Unit briefing paper, sponsored by Oracle. The Economist Intelligence Unit bears sole responsibility for this report. The Economist Intelligence Unit's editorial team executed the survey, conducted the interviews and wrote the report. The findings and views expressed in this report do not necessarily reflect the views of the sponsor. Alison Rea was the author of the report.

Our research drew on two main initiatives:

- We conducted a global online survey in May of 2006 of 275 senior executives in banks across the globe on the state of their compliance systems and processes.
- To supplement the survey results, we also conducted in-depth interviews with senior executives at a number of banks.

Our thanks are due to all survey respondents and interviewees for their time and insights.

June 2006

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Introduction

The need for effective compliance at financial services and banking companies is stronger than ever. Burgeoning regulations are more stringent and further-reaching; products more complex and geographic reach wider. All of this requires more money and vigilance to avoid missteps that could lead to damaged reputations and large penalties. Yet, a nagging question remains about the true effectiveness of compliance processes across financial enterprises.

This question haunts the minds of bank chief compliance officers who are grappling with the best ways to measure and manage compliance so that it works in practice, not just in theory. “The big mantra is: Is my compliance programme effective overall?” says Henry Klehm, global head of compliance for Frankfurt-based Deutsche Bank.

On behalf of Oracle, the Economist Intelligence Unit recently examined the progress of banks in integrating compliance into daily business processes and measuring the quality of their efforts. To this end, the Economist Intelligence Unit interviewed risk and compliance officers at eight large banks from around the world, and conducted a survey of 175 senior banking executives in North America, Europe and the Asia-Pacific region. Despite the differences among the banks—including different regulators, markets and product lines—all were focused on a handful of common themes:

- **Compliance is playing a more prominent role.** Examples abound of banks that have suffered enormous damage by running afoul of regulators. The risk of non-compliance is increasingly one that banks cannot afford to get wrong.

- **More deliberate measurement and management of compliance risk is needed.** It can help to anticipate where compliance missteps are most likely to surface. How well are compliance processes working? Knowing the level of enterprise-wide compliance risk helps to gauge the effectiveness of compliance.

- **Performance appraisal is nascent but will no doubt develop.** Few banks explicitly measure the return on compliance investment. Most use qualitative and quantitative measures based on tools such as surveys, regulatory feedback, benchmarking and score cards. But in order to comply efficiently (and slow the growth of compliance spending), it will be necessary to measure performance on a more consistent and accurate basis.

- **Integration across the enterprise is key.** Risks in banking are both complex and often inter-related—credit can be accompanied by interest rate risk, market and other risks can aggravate liquidity risk, and compliance risk can overlap with other types of risk, especially operational risk. To ensure that risk is managed thoughtfully across the enterprise, compliance must work closely and communicate well with all risk areas and businesses.

- **A culture of compliance is crucial.** Compliance must be visibly embraced by senior management and built into the hiring and training process. Ideally, it should be linked to pay and promotions as well. Moreover, the right metrics can make the culture of compliance concrete. It is important to address such questions as: Who delivers the compliance message—

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line or staff? How senior are the messengers? How often do they address compliance issues? Culture, like other aspects of compliance processes, can be managed and measured over time.

This report shows how banks around the world are building more effective compliance programmes. It describes the current state of compliance and how banks are struggling to understand and improve the effectiveness of their programmes in order to meet the challenges of the future.

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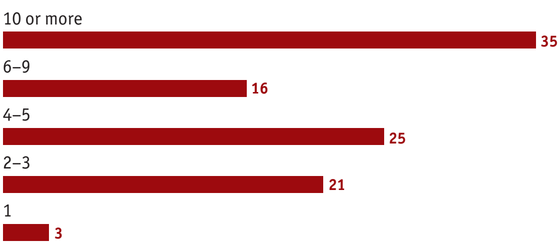
Chapter 1: **Compliance steps into the spotlight**

Banks are combating a growing thicket of regulations and guidelines. These include Sarbanes-Oxley in the US, bank secrecy and anti-money-laundering laws, anti-terrorism rules, and guidance on compliance from the Basel Committee on Banking Supervision.

That different countries have their own rules, sophistication levels and pace of reform only adds to the challenge, as banks are often subject to multiple jurisdictions. As Exhibit 1 shows, over one-third of survey respondents say they answer to ten or more regulators, and over three-quarters report to four or more. For a bank such as Deutsche Bank, which operates in 73 countries, the result is more than 350 regulatory exams a year.

As the job gets harder, so do the consequences of stumbling, as recent scandals have shown. Reputations were hurt, fines levied, officers sent to jail, licences revoked and companies failed. “Reputational risk is truly global now. If you get something wrong, or are perceived to get something wrong, it carries greater potential damage,” notes David Bagley, head of group compliance at HSBC.

Exhibit 1: How many different regulators oversee your entire organisation?
(% respondents)



Source: Economist Intelligence Unit survey, 2006.

Avoiding reputation-damaging incidents can deliver financial rewards as well, including higher margins, lower perceived risk and cheaper capital. And a company without compliance problems attracts customers and shareholders who prefer a more trustworthy brand.

Against this backdrop, it is clear that demand for strong compliance processes and methodologies is set to grow. Complex new products and services that hit the market sooner will require more detailed oversight, as will farther-flung operations and greater globalisation. Mergers are also creating larger, more complicated companies that invite greater scrutiny. Moreover, a growing proportion of recent mergers are crossborder, which adds another dimension of complexity to getting compliance right as companies seek to streamline disparate technologies, systems and procedures.

Most companies surveyed believe that over the next three to five years regulations will become more burdensome, broader in scope and complexity, with harsher consequences for non-compliance. As Exhibit 2 shows, 92% of survey respondents see regulations growing in complexity, with another 91% expecting regulators to expand rules into new areas. At the same time, 81% expect penalties to become more severe.

As a result, compliance has become a core stand-alone function with a chief compliance officer reporting to senior management and the board. As Charles Bowman, principal compliance executive at Bank of America, based in Charlotte, North Carolina explains: “We were in the basement. Everyone was happy with that: management, regulators and compliance officers. That age is gone. We have seen a

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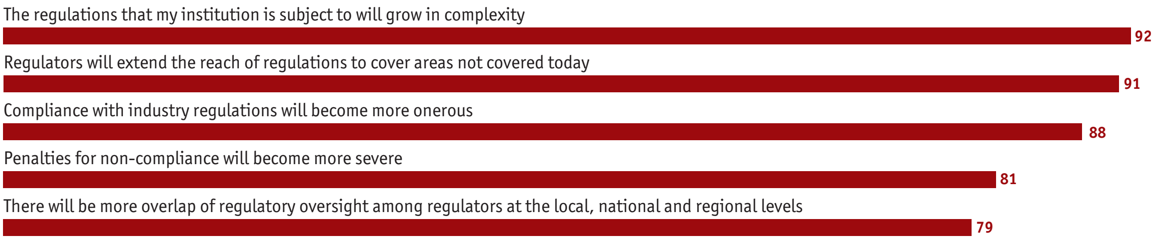
Exhibit 2: What changes to you expect in the regulatory environment over the next three to five years?
(Top five responses; % of respondents who agree minus % who disagree)



Source: Economist Intelligence Unit survey, 2006.

systemic shift in terms of people recognising the importance and the level of sophistication it takes to meet regulatory demands."

At Allied Irish Banks, based in Dublin, the group general management of regulatory compliance reports functionally to the finance director and independently to the chairman of the audit committee of the board. The compliance head also has easy access to senior management by sitting on the group risk management committee. Each division has compliance experts who work with the businesses but report to compliance. The group general manager of regulatory compliance at Allied Irish Banks is Philip Brennan, who says: "At both the divisional level and at group level, compliance is right up there with all the other key areas of finance, human resources and the frontline business areas."

In keeping with compliance's growing mandate, many firms have been beefing up staff and investing in sophisticated information technology (IT) in order to implement more robust compliance programmes. None of this comes cheap. Companies pay premiums to hire scarce experts and then spend more to train them. Firms are also spending more to build controls into

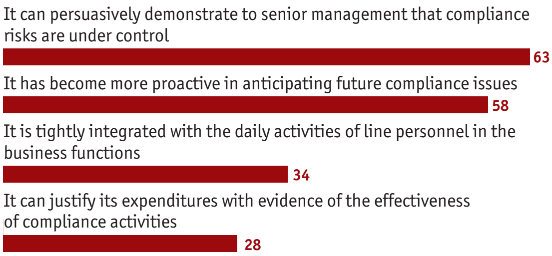
Box 1: Keeping a lid on costs

With higher costs, business leaders will be increasingly eager to get the most for their compliance dollar. Technology will play a bigger role. "You can't go man to man. You just can't afford it. We are about to reach the turning point where people can't afford to throw more people at compliance. They are going to start using technology on compliance to reduce the cost," says Charles Bowman, chief compliance officer at Bank of America.

Efforts to manage expenses abound, and include:

- Streamlining processes to cut duplication in procedures and information technology (IT). One bank, ANZ, hopes to eliminate superfluous monitoring costs with its new standardised approach to risk measurement.
- Adopting more effective technology and data-mining techniques to improve systems that detect violations or outlying risk factors.
- Consolidating global processing for data-intensive jobs such as AML monitoring into company-owned centres in lower-wage countries—as HSBC is doing in India. This cuts labour costs, achieves economies of scale and provides greater consistency.
- Co-operating more to identify problems before they spin out of control.
- Getting compliance involved earlier in product development, to build the right controls into processes and systems from the start.
- Focusing on the biggest risks and not measuring every risk to the nth degree.

Exhibit 3: What is your view of your own compliance department?
(% of respondents who "strongly agree" with each statement)



Source: Economist Intelligence Unit survey, 2006.

their processes and systems, for example, by trying to "hot wire" or "fail safe" compliance controls so that there is less discretion to make errors. (See box 1: *Keeping a lid on costs*)

Rising compliance costs and tight budgets reinforce the need for accountability. Senior banking executives increasingly want to know if they are spending money wisely. For now, answers are often elusive. Only 20% of respondents could "strongly agree" that their compliance departments could justify expenditure with evidence of effectiveness; only 17% could persuasively demonstrate that compliance risks are under control.

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Chapter 2: **Taking a more measured approach to compliance risk**

An important first step in gauging compliance effectiveness is to develop better ways to measure and manage risk. Melissa Martinez, who was until recently head of compliance at Washington Mutual, in Seattle, explains: “Compliance risk management is still in its infancy, especially when it comes to more sophisticated processes and measurement techniques. But it is on the edge of breaking through.”

Of the companies surveyed, only 13% could adapt quickly to local regulatory differences and 12% could adapt quickly to changes in regulations. Somewhat surprisingly, however, most banks do have an enterprise-wide compliance system in place.

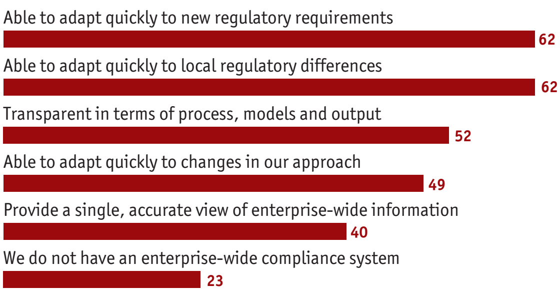
Regulatory pressure will continue to drive change. “We are being expected to demonstrate a much more methodical, consistent and documented approach as to why we do what we do. It is no longer good enough for a senior compliance officer to say that he relies on his gut instinct and the fact he has been a compliance officer for 20 years,” explains Mr Bagley.

But like other operational risks, compliance risk tends to be intangible and thus hard to quantify or boil down to a few numbers. There is also a lack of historical data, ruling out for now the use of tools similar to those used to gauge market and credit risk. Even so, banks are developing more systematic ways to capture compliance risk, often using both qualitative and quantitative measures. These include using surveys and business line input to help grade compliance efforts and create matrices, score cards, heat and bubble maps, and various risk assessment scores. (See box 2: *Methods for measuring compliance risk*)

Other tools include internal and external benchmarking, audit trails and scenario testing. For instance, when something goes wrong at another company, HSBC asks what would happen were it to face the same event and examines its processes accordingly. “We are constantly re-appraising,” confirms Mr Bagley.

As financial services firms get a clearer view of their level of compliance risk, it should help to allocate resources to mitigate those risks through more rigorous processes and controls. But the question still remains: how will top executives know if their investments are really paying off?

Exhibit 4: What is your view of your own compliance processes?
(% of respondents who “strongly agree” with each statement)



Source: Economist Intelligence Unit survey, 2006.

Box 2: Methods for measuring compliance risk

Efforts to refine compliance risk measurement techniques abound. Some samples of various approaches from our interviews are detailed below:

- **Deutsche Bank** uses a common risk assessment methodology to create colour-coded heat maps that highlight the most worrisome risks geographically and by business division--even to the detail of each trading desk in some locations. The maps combine input from businesses, qualitative judgements, and quantitative metrics on such things as how many people are licensed in a particular jurisdiction. According to Henry Klehm, chief compliance officer, "You have got to figure out where your biggest risks are and what you can do to mitigate them."

- **DBS Group** is rolling out a legal and compliance risk framework also with heat maps. The bank asks questions across eight different categories about the risks and controls infrastructure in any business or geography, and about its controls. It rates answers and plots results on a graph with risks on one axis and controls on the other. Risks include considerations of the regulatory regime and the size and complexity of a business. Controls include management's attitude towards risk, the level of training and the quality of control processes. This framework is used to understand risks, to create a compliance plan and to ensure a dialogue with the businesses. "It acts as a useful tool to help prioritise risk and allocate resources accordingly," says David Chin, head of the management practices team for group legal and compliance.

- **Commerce Bank** plots a colour-coded heat map in the form of a bubble chart. Controls lie on one axis of the graph and risk on the other. Risks are plotted using a scale of from one to ten to show riskier areas for each business line and the whole bank. Charts can be compared with those of other units and with prior periods to spot trends. "This gives the businesses a sense of where they are and where they need to go," explains James Gertie, head of risk management.

- **Allied Irish**'s monitoring plan augments the risk views of the businesses with compliance's knowledge of external issues, assessment of regulatory obligations and judgement on the impact of breaches. While it currently uses standard written formats for its reports to the audit committee a year, it plans to adopt dashboards to highlight key risks in a faster, more-focused way. As Philip Brennan, group general manager of regulatory compliance, sums up: "One thing that we need to ensure is that we don't impose multiple systems and processes on the business. We try as much as possible to use the same machinery and technology to assess all of our risks."

- **HSBC**'s new group-wide compliance programme will be in place to start assigning net risk scores to each compliance risk by the end of June. First compliance and businesses will assess the impact and probability of lapses on each rule, document, regulation and practice. Then they will appraise controls. Scores will be combined in a net risk score on a scale of A to E. Scores of A and B will usually drive an action plan, but regardless of score, extra risk may prompt extra monitoring. The degree of granularity will vary since some of the 76 countries and territories in which HSBC does business have widely differing levels of risk, regulation, skills, experience and resource. David Bagley, head of global compliance, responds: "I have to design something that will be sufficiently robust to be meaningful and helpful across the globe, but also sufficiently simple and elegant that it'll actually get implemented. If I make it too complicated, it just won't happen."

- **ANZ** has been developing a new compliance framework that will help to drive efficiency and resource allocation to the most significant of its compliance risks. By year-end, ANZ will have documented global regulatory obligations across its 28-country footprint. Then compliance and the businesses will identify the processes, accounts and operations affected by each rule and assess related controls. A compliance risk score of low, medium or high will be assigned by risk weighting the impact of possible breaches. ANZ will use technology to help interpret regulations and to drive the compliance risk score. The higher the score the greater priority. "There will always have to be a subjective overlay, but at least this process gives the objective foundation on which to make that judgement," says Sean Hughes, general manager of group compliance.

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Chapter 3: **Better measurement of compliance effectiveness**

Since compliance does not generate revenue, few are thinking in terms of return on investment (ROI). Companies can tally the monetary cost of mistakes, although the cost of fixing the problem tends to be far larger than the cost of fines. They can also add any savings from streamlining processes and IT systems.

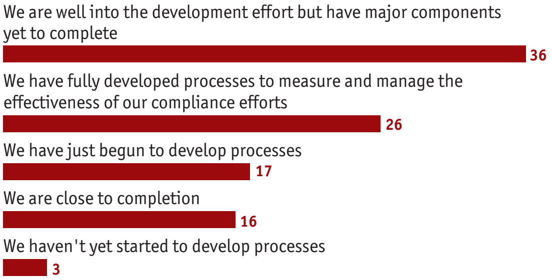
But this may not tell the whole story. "Your real loss is the reputation risk, and the risk you might lose your franchise and your customers, so quantifying the consequences of non-compliance with a regulation is not as easy as a traffic fine," is the view of Sharon Craggs, head of legal and compliance at Singapore-based DBS Group. The survey reflects this ROI ambivalence with 42% of respondents saying they do not explicitly measure return on investment.

However, other measures are being devised. Just over a fourth of survey respondents say they have fully developed processes to measure and manage the effectiveness of compliance. Another 16% are close to completion, and 36% are well into the development effort. Instead of ROI, many—33% of respondents in our survey—are using a mix of quantitative and qualitative measures. Mr Klehm's view is that "you can not strip away the underlying judgment".

Many tools are widely directed to analyse quality. About one-half of our survey respondents use the following: tracking and evaluating the disposition of enquiries (50%), conducting compliance post-mortems after a regulatory event (48%), seeking explicit regulatory feedback (51%), tracking the number of employees trained and/or certified (53%), and monitoring trends of compliance events (56%).

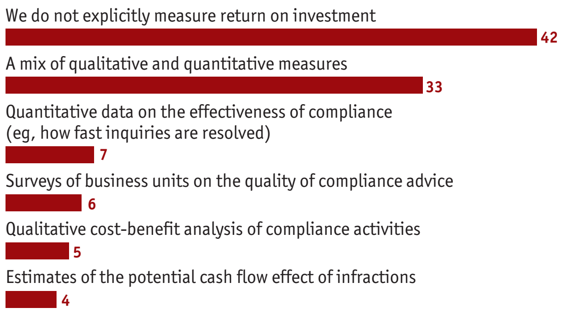
Benchmarking is also popular. Survey respondents view informal meetings with regulators as a favoured way to establish benchmarks (55%), but also use industry surveys (40%), comparisons of achieved objectives against budgets (37%), comparisons with targeted peers (37%) and informal peer meetings (35%).

Exhibit 5: What progress has your organisation made in developing processes to measure and manage compliance effectiveness?
(% of respondents)



Source: Economist Intelligence Unit survey, 2006.

Exhibit 6: How does your organisation measure return on investment on compliance activities?
(% of respondents)



Source: Economist Intelligence Unit survey, 2006.

Box 3: Creating a barometer of health at Bank of America

Bank of America takes a quantitative approach to judging compliance performance. Its quality measurement plan--the compliance programme effective indicator (CPEI) system—assigns each business a compliance score. “We call this a barometer of health,” explains Charles Bowman, principal compliance officer. “The idea is that if we have a healthy environment, we will survive.”

For now, surveys drive 50% of the score; enterprise measurements such as passing regulatory exams comprise 25% and unique business metrics contribute 25%. Over time, the latter’s share of the score will rise to 50%, while that from surveys will fall to 25%. For every line of business, each component is ranked from 1-100. The end result is one CPEI score given in terms of A, B and C, and coloured red, green or yellow.

Survey questions relate to one of the seven core values or processes identified by the compliance group:

1. management compliance and accountability;
2. policies and procedures;
3. control and supervision;
4. regulatory oversight;
5. monitoring;
6. training and awareness;
7. reporting.

Risk management, audit, legal and compliance then conduct a 360-degree review.

CPEI scores focus mitigation plans and promote dialogue between business units and compliance. They are a factor in setting compensation for the top 100 executives combined with Mr Bowman’s evaluation of compliance attitudes.

Allied Irish and DBS Group are both developing key performance indicators (KPI) to judge performance. Allied Irish’s KPI include such items as whether required reports were duly written and will be included in dashboards. The bank also tallies monitoring lapses and missed deadlines on process implementation and is collecting data to assess trends.

DBS Group is developing key performance indicators (KPI) to measure performance. It has defined compliance- and controls-related KPIs for the organisation. These go into operational score cards for each business and help the bank track and report performance in dashboards and reports. “We want to be a metrics-driven organisation. What gets measured, gets done. What doesn’t, doesn’t get done, and may not count,” says Mr Craggs.

Australia-based ANZ uses score cards to derive half of a compliance performance score it assigns to each business biannually. Two of its 12 score cards are specific to compliance and centre on, for example, training readiness and breach reporting and controls. The score cards are used to allocate capital. Other contributors to the compliance performance score include: progress on implementing its new compliance framework programme (25%); headway in implementing new external or internal requirements, such as new conflict of interest measures (10%); and risk culture, which tracks, for example, attitudes and tone from the top (15%). The board sets a minimum score that each business has to meet, and the score helps set annual bonuses.

Bank of America actively uses internal surveys to help create its barometer of health score. This barometer gives each business a compliance score, which, like ANZ’s score, is used to gauge effectiveness and set compensation. (See box 3: *Creating a barometer of health at Bank of America*)

Even as companies are refining risk and performance measurements, they must improve compliance risk management. Integrating compliance into a firm’s fabric offers a clear advantage.

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Chapter 4: **Integrating compliance across the enterprise**

Integration across the enterprise helps to ensure that the compliance group is not just issuing empty dictums. After all, the businesses are ultimately accountable for any lapses and mitigation. Compliance can advise, cajole and even threaten, but the business must act. "When compliance operates by waving the stick on an ongoing basis, you don't get business buy-in," says Mr Brennan.

A close working arrangement with the businesses means that they know who to call in with a problem so that compliance can help anticipate and avoid errors. "Being integrated into the business process is the key. You have to have the right people, but having the right people that don't get involved in the decisions at the right time is a lot of wasted effort and insight," notes James Gertie, chief risk officer at Cherry Hill, New Jersey-based Commerce Bank.

While progress has been made in tightly integrating compliance with the daily activities of line personnel in the business functions, there is still room for improvement. Only 53% of respondents say that their companies are achieving this level of integration.

Open interchange between different control functions also helps to share observations, devise better conclusions and trim duplication. At Commerce Bank, a monthly enterprise risk committee meeting promotes interaction between business, operations, risk, audit, finance, HR, legal, technology and compliance managers. The bank also standardises all reports in an easy-to-use format.

In addition, risk measurement programmes at most banks require more discussion between business and compliance. According to Mr Bagley, "This sort of collegiate approach is one of the key ways in which you make compliance work." His bank set up an integrated, global compliance group in the early 1990s.

Crucial to successful integration is getting senior management to emphasise the need for business units to work together closely. This is all part of having a culture of compliance.

Box 4: Training and culture at Deutsche Bank

Implanting a risk culture is a big part of Deutsche Bank's compliance agenda. The board and senior management must drive home the importance of ethical behaviour and accountability. As Henry Klehm, global head of compliance, explains: "The compliance department can help prepare those messages and do a lot of prompting, but everybody expects the compliance guy to stand up in front of the audience and be a goody two shoes. However, the most effective is when senior business line management says that he has zero tolerance for this type of risk."

Over the last three years, Deutsche Bank has defined leadership standards as those which have the maximum effect on culture and behaviour at the bank and has conducted training programmes at every level. That includes training over 3,000 of its senior managers on the value of a strong risk culture and the part it should play in performance reviews and compensation. "Your message has to have meaning and relevance. We're dealing with a bunch of highly economically motivated individuals," says Mr Klehm.

Every quarter, Deutsche Bank trains about 10,000 of its 64,000 employees in 73 countries on some part of compliance. At the end, it tests to make sure that people really got the right message. "The real question is whether a 26-year-old down on the trading desk, when confronted by a situation in which the law is ultimately grey, will make a decision that's in the long-term best interest of the bank and its shareholders," concludes Mr Klehm.

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Chapter 5: **Instilling a culture of compliance**

A strong moral standard must pervade an entire enterprise so that the compliance focus is on the spirit not just the letter of the law. As Mr Craggs explains: “Integrity of the management and the whole firm is what the compliance profession is about ensuring. You’re talking about your reputation, which is something that is very hard to win and very easy to lose.”

The board and senior management must make it clear that compliance and accountability matter. “You can bolt on all sorts of compliance functions and train people on ethics until you are blue in the face, but if senior managers not only say it but do it, it is remarkable how much easier it makes the job of compliance officers,” says Mr Bagley.

Operational score cards with specific risk and control components reinforce the message that compliance is everybody’s business at banks such as DBS. “Immediately, regulatory and compliance considerations are showcased front and centre by being an integral part of everybody’s score card,” says David Chin, head of the management practices team for group legal and compliance at DBS.

Hiring the right people is key. They must be honest and be able to work well with the businesses regardless of whether their actual background is in the traditional realm of law and regulation or in newer skills that are needed such as operational, auditing, financial and quantitative expertise.

Training is important but must be effective. “You need to know on a business line-by-business line basis if your training is really communicating to your people,” states Mr Klehm, who uses various metrics, and is considering using focus groups, to this end. (See box 4: Training and culture at Deutsche Bank)

ANZ uses training penetration rates to help gauge success. As Sean Hughes, general manager of group compliance, explains: “We’ve found that in businesses where the training penetration rates across staff are very high, and there are strong messages of support from the head of the business, that traditionally the numbers of mistakes are low.”

A standardised compliance framework across an enterprise can provide the glue to reinforce a culture of compliance. When everyone is approaching compliance the same way regardless of the business, regulatory regime or country, it is easier for everyone to be on the same page.

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Conclusion

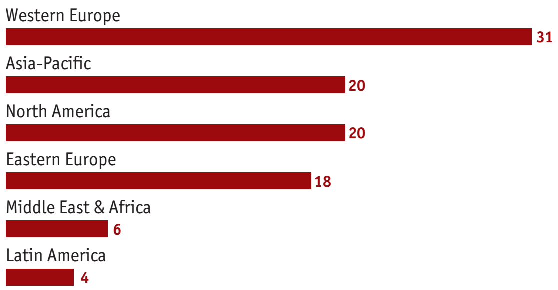
More precise risk and performance measures, better integration into business functions and a clearer focus on building a healthy risk culture will help to deliver the effective compliance function that today's complex financial world and its regulators demand. "The focus is to move the business' regard for compliance into a way of doing business rather than a cost of doing business," says Mr Brennan.

Measurement of compliance effectiveness is not well developed, but it will not remain that way for long as senior executives and boards demand greater accountability for growing compliance expenditure, and regulators demand more disciplined approaches to risk measurement and controls.

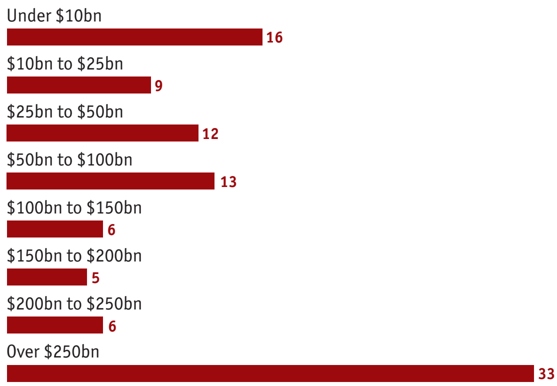
In fact, the scope of compliance is likely to broaden. In the future, more companies will see it as an activity that could drive business revenue and customers. For example, if an efficient compliance process could make it easier for new customers to complete the Patriot Act's information demands, banks could add more clients and create more value. "We need to be more proactive. Let's change our business processes to meet our requirements and to deliver a superior product. That is really where I hope the level of action will be for compliance professionals," says Mr Bowman.

Appendix: survey results

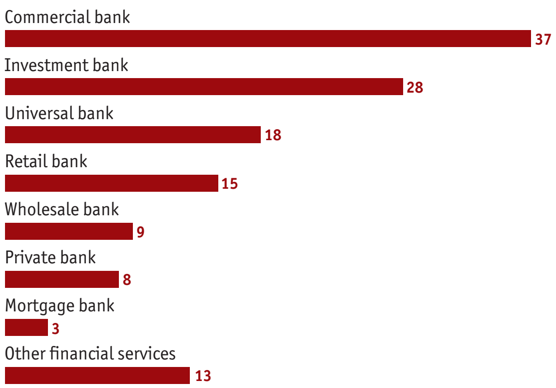
In which region are you personally based?
(% respondents)



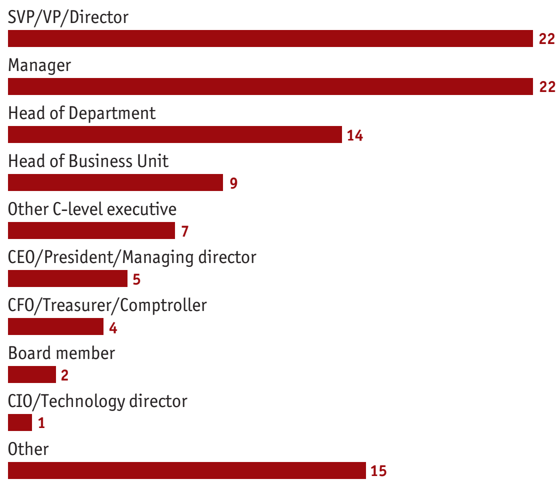
What is your institution's approximate asset size in US dollars?
(% respondents)



What is your industry sector? Select up to three.
(% respondents)



Which of the following best describes your title?
(% respondents)



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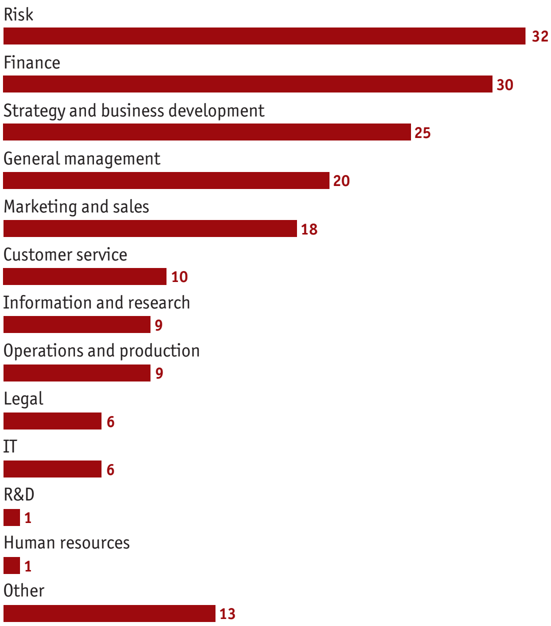
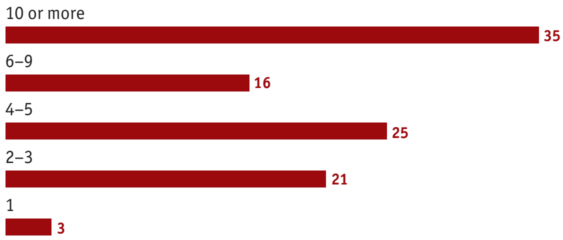
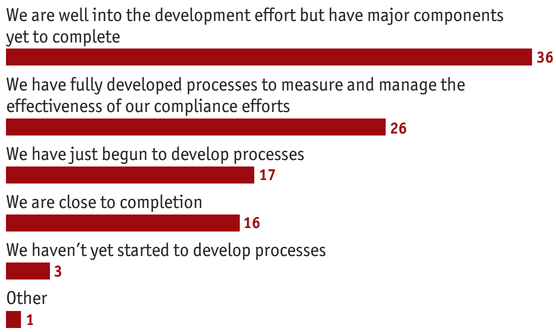
What are your main functional roles? Please choose no more than three functions.
(% respondents)



How many different regulators oversee your entire organisation?
(% respondents)



Which of the following best describes your organisation's progress in developing processes to measure and manage the effectiveness of compliance?
(% respondents)



What elements has your institution integrated into its compliance methodology? Select all that apply.
(% respondents)

Appendix: survey results

Bank compliance
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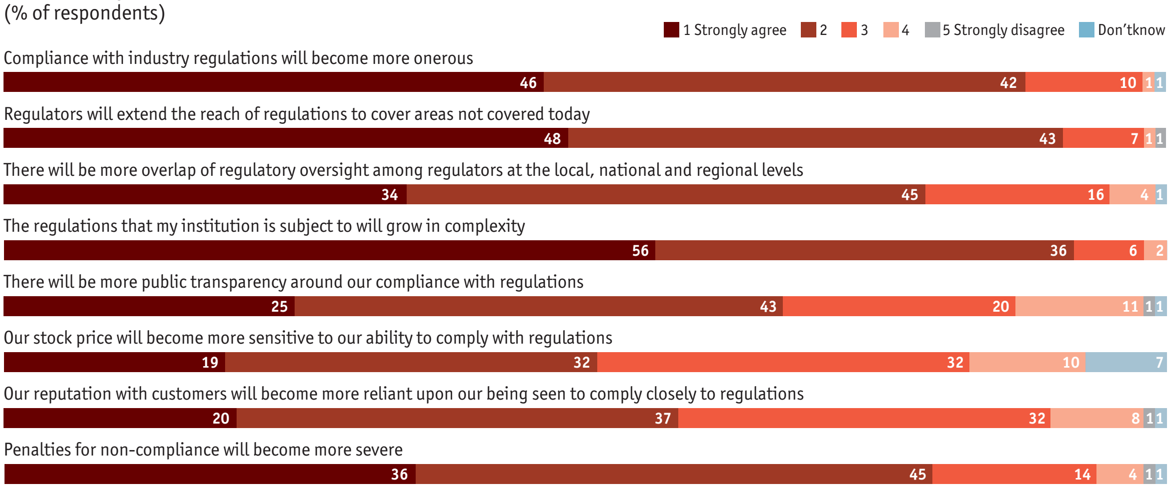
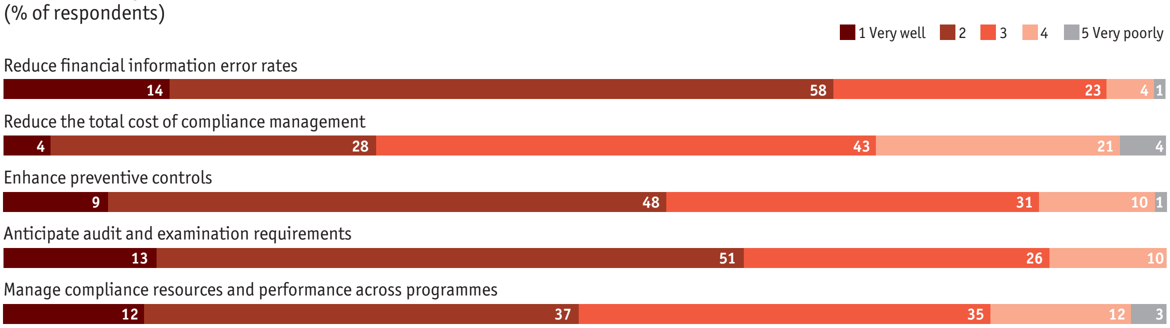
Please indicate your level of agreement with the following statements regarding the compliance environment over the next three to five years.
(% of respondents)



Please indicate your level of agreement with the following statements regarding your organisation's compliance function.
(% of respondents)

How well does your organisation execute the following processes for managing compliance?
(% of respondents)



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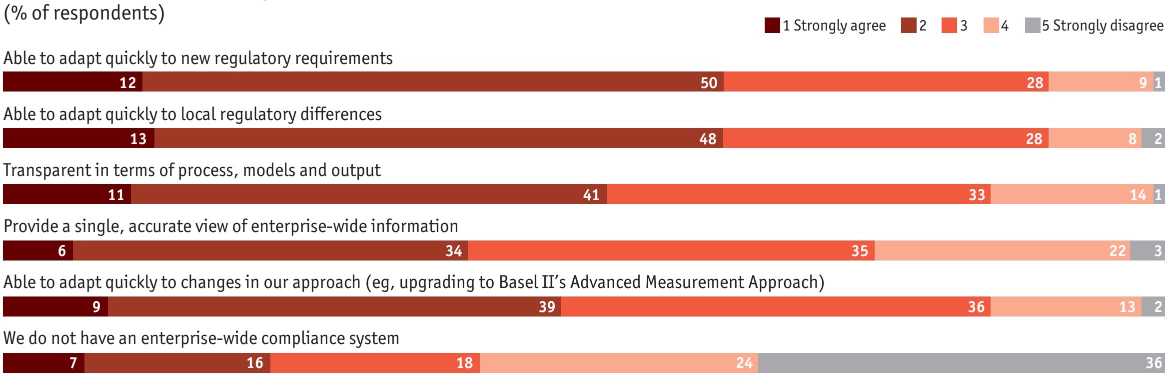
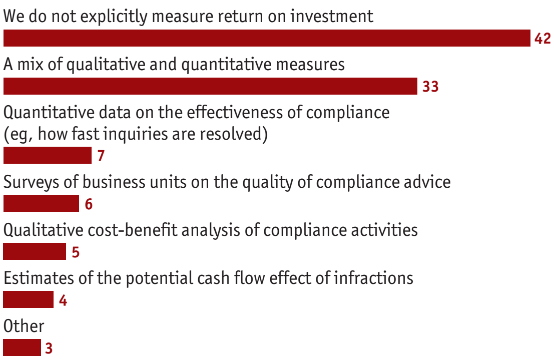
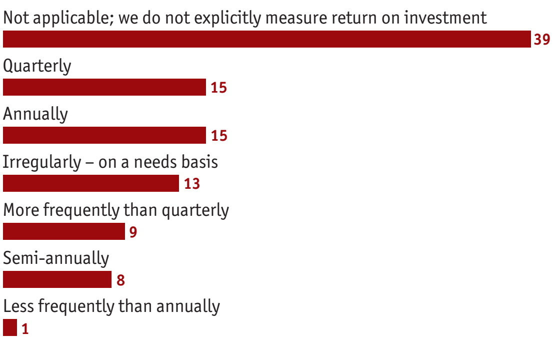
Please indicate the extent to which you agree or disagree with the following statements regarding your organisation's enterprise-wide compliance system.
(% of respondents)



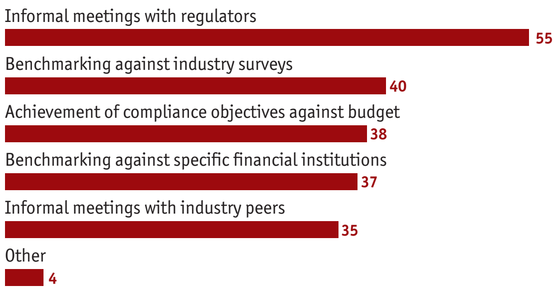
How does your organisation measure its return on investment in compliance activities?
(% respondents)



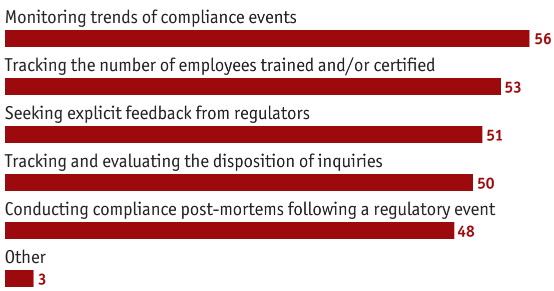
How often does your organisation measure its return on investment in compliance activities?
(% respondents)



How do you establish benchmarks for measuring your compliance effectiveness? Select all that apply.
(% respondents)



How does your organisation measure compliance quality?
Select all that apply.
(% respondents)



Although every effort has been taken to verify the accuracy of this information, neither the Economist Intelligence Unit nor the sponsor of this report can accept any responsibility or liability for reliance by any person on this white paper or any of the information, opinions or conclusions set out in this white paper.

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