

The Compliance Program Self-Assessment Worksheet

Thank you for requesting the Compliance Program Self-Assessment Worksheet from Ethisphere. We understand that it can take time to collect and review program information before submitting to receive your results, so we built this worksheet to help you gather and verify everything offline before coming back to receive analysis, benchmarking, and additional resources to support your program's ongoing journey toward full effectiveness!

Don't forget that this self-assessment is built from our [industry-leading Ethics Quotient® \(EQ\)](#) questionnaire and benchmarking from [this year's list of World's Most Ethical Companies® honorees](#). While the questions alone are valuable, the results, analysis, and additional resources shared once submitted are truly invaluable.

Be sure to come back to [the Compliance Program Self-Assessment page](#) to submit your responses once you've completed this worksheet and discover the full power of the Ethisphere experience!

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Self-Assessment Instructions & General Information

This self-assessment is made up of 16 questions, broken out into 8 dimensions related to your program. It will take approximately 15-20 minutes to complete and will require a working knowledge of the company's programs and initiatives in the areas of ethics and compliance and corporate governance.

Please read each dimension description, question text, and response sets carefully before responding. Unless specified otherwise, when considering possible responses, select the answer choice(s) that best reflect the general state of your company's program.

Of particular note about this document's layout:

- Response sets using round bullets (such as this bullet item) indicate a question with a single-select response set. Only one of the available responses may be selected.
- ❑ Response sets using square bullets (such as this bullet item) indicate a question with multiple-select response set. More than one of the available responses may be selected, with the exception of the "None of the above" response which can only be selected on its own.

Corporate Governance

This section examines the availability and quality of systems designed to ensure strong corporate governance including oversight, governance principles, and risk management. When evaluating an organization's corporate governance, organization-specific factors such as ownership structure are taken into consideration.

Please note that any reference to "other governing authority" throughout this questionnaire applies **ONLY** to organizations that do not have a Board. Also, for purposes of this questionnaire, the term "director(s)" refers to Board member(s) or to member(s) of your organization's governing authority, if different than a Board.

1. Does any independent director on your Board or other governing authority have any of the following specific ethics and compliance program expertise?

Note that for this question ethics and compliance program expertise does not include tangential involvement with an ethics and compliance program (e.g., serving as a CEO, serving as a member of an audit committee, or working generally as an attorney), but rather refers to leadership in the operation of an ethics and compliance program (e.g., serving as a chief ethics and compliance officer). Select all that apply.

- ☐ CCO/CECO
- ☐ CFO
- ☐ Internal audit
- ☐ Committee chair of the committee overseeing the ethics and compliance program
- ☐ GC/CLO
- ☐ Former regulator
- ☐ None of the above
- ☐ Non applicable to our partnership/owners/members non-Board structure

2. In the past two years, what information has been provided to the Board or other governing authority regarding ethics and compliance risks relevant to your organization's business?

Select all that apply.

- ☐ "Deep dive" briefings from internal subject matter experts focused on specific individual risk areas.
- ☐ Sessions designed to be interactive and participatory for Board members (beyond asking questions or merely participating during a presentation) discussing ethics and compliance matters (e.g., case studies, table top exercises).
- ☐ Written materials, such as reports, articles, regulatory guidance or commentary, from independent sources other than organization management.
- ☐ Briefings provided by outside experts.
- ☐ Support for individual directors to attend education or training programs offered by third-party providers (e.g., corporate governance associations, industry, academia, etc.).
- ☐ None of the above.

Program Structure, Oversight, Responsibility, and Resources

This section examines the ethics and compliance program's overall structure and how responsibility for oversight of that program is assigned to high-level personnel. Regulators have signaled, and we agree, that the organizational chart sends a message about organization priorities. Do those running the ethics and compliance program have a “seat at the table”? Examination is also conducted on how resources and authority have been allocated to those individuals. In short, is the program appropriately staffed for the size and complexity of the business?

Second, we review if members of the organization's governing authority are actively engaged in the ethics and compliance program, whether they are knowledgeable about its content and operations, and whether they exercise reasonable oversight of that program.

If your organization has separated the ethics and compliance program from the regulatory compliance program (the function that focuses on the interpreting and applying the laws relevant to an organization's business), unless specified, please answer the following questions on behalf of your ethics and compliance program or function.

1. How often are update presentations regarding the implementation and effectiveness of the ethics and compliance program to the Board, committee of the Board or other governing authority that oversees the ethics and compliance program?

- ☐ Regularly scheduled, not less than quarterly.
- ☐ Regularly scheduled, three times per year.
- ☐ Regularly scheduled, twice per year.
- ☐ Regularly scheduled, annually.
- ☐ Ad hoc only, as needed.
- ☐ Never.

2. Select the types of interactions the ethics and compliance function has with other functional groups in your organization.

For this question, answers containing the term "significant input/role" refer to the ability to influence decisions and voice concerns with the corresponding function before decisions are made. Select all that apply.

- ☐ Invited/allowed to provide input regarding audit design and receive audit results
- ☐ Invited/allowed to attend human resources training events to educate on ethics and compliance topics
- ☐ Invited/allowed to add ethics and/or compliance questions to employee surveys
- ☐ Invited/allowed to provide input on environmental, social, and governance (ESG) reporting and assessment
- ☐ Invited/allowed to provide input regarding technology solutions that support the ethics and compliance program
- ☐ Invited/allowed time in sales/marketing meetings (excluding ethics or compliance training) to educate on the relevance of the ethics and compliance program as a competitive advantage
- ☐ Invited/allowed to provide formal input on overall corporate business strategy
- ☐ Invited/asked to sit on a steering committee
- ☐ Significant input/role in the process for organizational strategic business development decisions such as mergers and acquisitions, new market entry, expansion, business partnerships/alliances, and joint ventures
- ☐ Significant input/role in specific product or services decisions such as product or services development, launch, or discontinuation
- ☐ Significant input/role with human resources in the process of designing and awarding financial incentives at senior levels of the organization
- ☐ Significant input/role coordinating with Corporate Communications
- ☐ Significant input/role coordinating with Supply Chain Management
- ☐ Significant input/role coordinating with ERM/Risk Management
- ☐ Significant input/role in reviewing conflict of interest disclosures
- ☐ Significant input/role coordinating with IT/Information Security
- ☐ Significant input/role coordinating with Product Development on the responsible use of artificial intelligence (AI)

Written Standards

This section evaluates the written standards created to provide guidance to employees on how to conduct business with integrity. Well-written, comprehensive, and well-communicated policies, procedures, and controls play a critical role in preventing and detecting misconduct. Written standards should be literally accessible, meaning that an employee can find the documents, as well as linguistically accessible, meaning the employee can understand the documents.

1. How are ethics and compliance enterprise-wide policies and procedures made available to employees throughout your organization?

Select all that apply.

- ☐ All policies and procedures are provided on an intranet site or portal that is accessible across the entire enterprise.
- ☐ Policies and procedures (physical or via hyperlink) are provided as part of our training modules.
- ☐ Our Code of Conduct contains hyperlinks to applicable policies and procedures.
- ☐ Our communications about policy-related topics contain hyperlinks to relevant policies and procedures.
- ☐ Certain policy and procedure hyperlinks are embedded in organization systems for point-in-time referencing (e.g., the gifts and entertainment policy in the expense reporting system).
- ☐ Policies and procedures are communicated using a mobile app.
- ☐ Our policies and procedures are distributed in a unique fashion not listed above.
- ☐ None of the above.

2. How often does your organization review metrics on how frequently any particular ethics and compliance enterprise-wide policy and procedure is accessed (aside from the Code of Conduct)?

- ☐ Our organization conducts regularly scheduled reviews (at least once a quarter) of how frequently these materials are accessed by employees
- ☐ Our organization conducts regularly scheduled reviews (less often than once a quarter) of how frequently these materials are accessed by employees
- ☐ Our organization conducts reviews of how frequently these materials are accessed by employees, but on an infrequent or ad hoc basis
- ☐ We do not review how frequently these materials are accessed by employees

Ethics & Compliance Training, Awareness, and Communication

This category assesses the extent to which an organization takes steps to periodically educate employees on its standards, procedures, and other aspects of its ethics and compliance program through training and other communications.

1. Identify which of the following methods your organization utilizes to DIRECTLY measure the effectiveness of its ethics and compliance training.

Select all that apply.

- ☐ Knowledge assessment quiz completed prior to training
- ☐ Knowledge assessment quiz completed at the immediate conclusion of training course
- ☐ Knowledge assessment quiz completed after training course completed (weeks or months after)
- ☐ Some other form of knowledge assessment quiz
- ☐ None of the above

2. Does your organization provide training to its people managers that explicitly addresses the people manager's role in supporting a culture of compliance by: a) sending the right message with their words and behavior to their direct reports; b) the people manager's role in creating a speak-up culture; and c) how to handle employee concerns or reports (collectively, "People Manager Ethics Training")?

Please note that all three topics do not need to be addressed in a single course, and that these topics may be included as part of courses that also cover other subject areas, but to respond in the affirmative, your organization must cover all three topics through some mechanism.

- ☐ Yes, our organization provides people managers with training on these topics as part of the Code of Conduct training
- ☐ Yes, our organization provides people managers with training on these topics as part of harassment training
- ☐ Yes, our organization provides people managers with training on these topics separate from harassment or code training
- ☐ Our organization does not provide people managers with training on these topics

Risk Assessment, Auditing, Program Evaluation, and Detection

This category focuses on how an organization identifies its key risks and determines how to allocate resources. This includes whether the organization conducts periodic evaluations of the effectiveness of its ethics and compliance program through auditing and program evaluation. Finally, it asks how the organization detects potential violations through monitoring disclosures related to conflicts of interest and the provision and receipt of gifts and entertainment.

1. Which of the following apply to how your ethics and compliance function interacts with your organization's internal audit function?

Select all that apply.

- ☐ The ethics and compliance function has input into the scope of the annual audit plan
- ☐ The ethics and compliance function can recommend specific site visits
- ☐ The ethics and compliance function engages in a pre-audit check-in with the internal audit function before site audits or other scheduled audits
- ☐ The ethics and compliance function has an opportunity to recommend ethics and compliance elements to an audit scope before site visits/remote audits
- ☐ The ethics and compliance function receives audit results when relevant
- ☐ None of the above

2. If your organization engages consultants/third parties to perform periodic evaluations of the effectiveness of the entire ethics and compliance program, how often does your organization do so?

Note that for the purposes of this question, an external evaluation is a formal process—separate and distinct from a risk assessment and an audit—conducted by a third party, following a documented structure, with the primary purpose of assessing the efficacy of the ethics and compliance program. This process must result in some form of documentation, such as a report. Please exclude any SOX Section 404-related evaluations or participation in any EQ benchmarking processes when selecting an answer.

- ☐ Annually
- ☐ Every two years
- ☐ Every three years
- ☐ Less often than every three years
- ☐ We do not engage consultants/third parties to conduct external evaluations of the entire ethics and compliance program

Enforcement, Discipline, and Incentives

This topic assesses how organizations incentivize ethical behavior, handle reports of misconduct, track investigations, support investigators, and protect those who report misconduct. Among other things, Ethisphere looks at whether the organization operates a whistleblower system, providing employees mechanisms by which they can anonymously report misconduct and seek guidance on issues or questions. In addition, organizations have made tremendous progress over the last decade in consolidating their case management systems into an integrated tracking platform, and we review the extent to which efforts are being made to utilize such an approach.

1. Which of the following best explains how reports of potential misconduct at your organization are tracked?

- All reports of potential misconduct are entered into a single enterprise-wide Incident Management System or other data base.
- Each function (E&C, HR, internal audit, etc.) maintains their own separate Incident Management System and these systems are not integrated.
- None of the above

2. Does your organization have a process to capture and review all disciplinary actions resulting from investigations to identify potential trends and ensure that disciplinary action was consistent?

- We have a formal cross functional team (human resources, ethics and compliance, legal, audit, etc.) that convenes at least once per year to review investigation results to identify potential trends and ensure consistency
- Ethics and compliance alone reviews investigation results to identify trends and ensure consistency
- No, we do not have a formal process to review investigative results for trends or consistency

Measurement of Ethical Culture

This topic examines methods and outcomes associated with measuring the organization's culture of ethics, along with who monitors that information.

Ethisphere defines the ethical culture of an organization as how employees at all levels view the ethical standards, practices, norms and behaviors within the organization. This includes the organization's commitment to ethical conduct, fairness, integrity, and adherence to moral and legal standards. This is separate from, but complementary to, traditional measurements of employee engagement, such as emotional commitment, involvement, and enthusiasm towards their work and organization.

1. Which of the following methods, if any, are part of your organization's approach to measure employee perceptions of ethical culture and/or the ethics and compliance program?

Select all that apply.

- ☐ Employee survey(s) that includes questions specific to the ethical culture of your organization
- ☐ Employee focus groups (either in-person or using virtual gatherings on Zoom, etc.)
- ☐ Employee interviews (non-people managers) to assess ethical culture and employee perceptions
- ☐ Management interviews to assess ethical culture and employee perceptions
- ☐ Surveys of external stakeholders, such as clients, customers, vendors, or partners, that include questions specific to the ethical culture of your organization
- ☐ Visits by ethics and compliance personnel to sites outside of headquarters
- ☐ Reviewing social media (e.g., Twitter/X, Facebook) or other websites that include feedback or comments about the organization (e.g., Glassdoor.com)
- ☐ Monitoring a real-time, direct-to-employee feedback system or tool (e.g., Salesforce Feedback app, Yammer comments, intranet site comments) that allows for comments, suggestions, or input
- ☐ None of the above

2. How have your efforts to measure ethical culture and the perception of the compliance program been utilized within your organization in the last two years?

Select all that apply.

- ☐ Paired with data from other control functions to help identify patterns or “hotspots”
- ☐ Factored into risk assessments of functions, geographies, and/or business units
- ☐ Prompted creation of new communications, trainings, or other initiatives for the entire organization
- ☐ Prompted creation of new communications, trainings, or other initiatives specifically targeted at low-performing functions, geographies, and/or business units
- ☐ Inform roadmap of ethics and compliance program investment and improvement
- ☐ Some other way not listed above
- ☐ None of the above

Third Party Management

This topic focuses on evaluating the selection and performance of supply chain partners throughout the full lifecycle of the relationship.

“Third party” means any party with whom an organization has some form of business relationship. Third parties may include, but are not limited to, joint venture partners, consortium partners, contractors, consultants, suppliers, vendors, service providers, agents, intermediaries, distributors, resellers, and customers.

1. Which of the following elements of a third-party risk management program have you implemented enterprise-wide and documented?

Select all that apply.

- ☐ Ownership/governance
- ☐ Policy framework
- ☐ Scope
- ☐ Inventory
- ☐ Risk assessment and scoring
- ☐ Diligence
- ☐ Control system
- ☐ Onboarding requirements
- ☐ Relationship management
- ☐ Ongoing monitoring
- ☐ Escalation processes
- ☐ Periodic auditing
- ☐ Performance evaluation
- ☐ Incident management workflow
- ☐ Onboarding & termination workflow
- ☐ We do not have a third-party risk management program

2. Does the ethics and compliance function have access to third-party data?

- ☐ The ethics and compliance function has ongoing system access
- ☐ The ethics and compliance function must request the data from another function
- ☐ No

Next Steps

Congratulations, you've completed the Compliance Program Self-Assessment Worksheet! As a final step, return to [the Compliance Program Self-Assessment page](#) to submit your responses and receive your overall program score and individual question results and analysis.

If you thought this exercise was valuable on its own, just wait until you see the benchmarking and analysis pulled from this year's list of World's Most Ethical Companies[®] honorees!