

GRC Industry Survey 2008: A Benchmark For Compliance Programs and Spend

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Chrisan Herrod, Executive Editor, The Compliance Authority
Sanjay Anand, Chairperson, SOX Institute

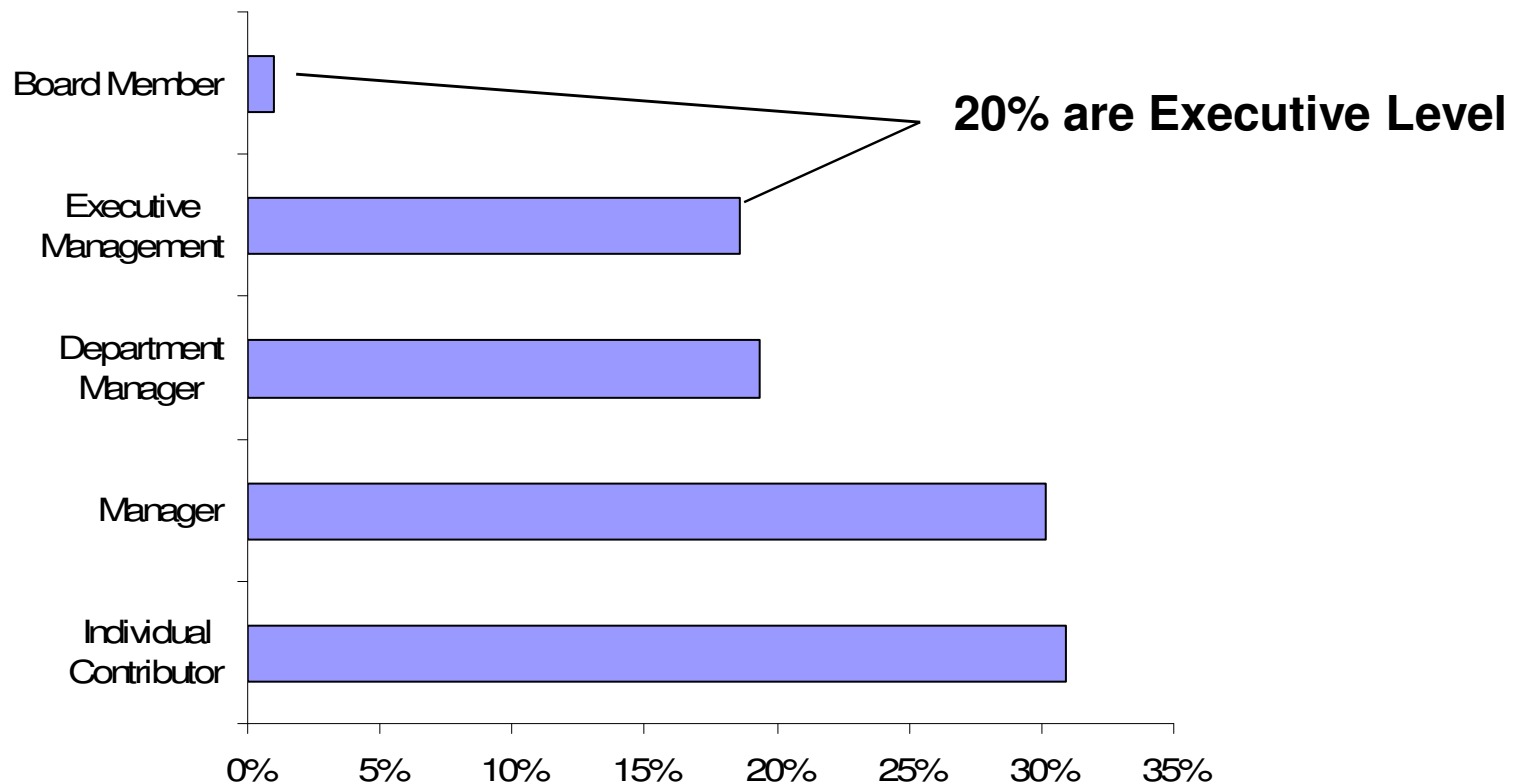


Survey Summary

- The survey had 455 respondents from a representative range of companies and professional areas of compliance
- The majority of respondents say that compliance spending is staying the same (45%) or increasing(40%)
- There is a need and interest in the automation of compliance activities but 3rd party software has not met the needs of the majority of respondents

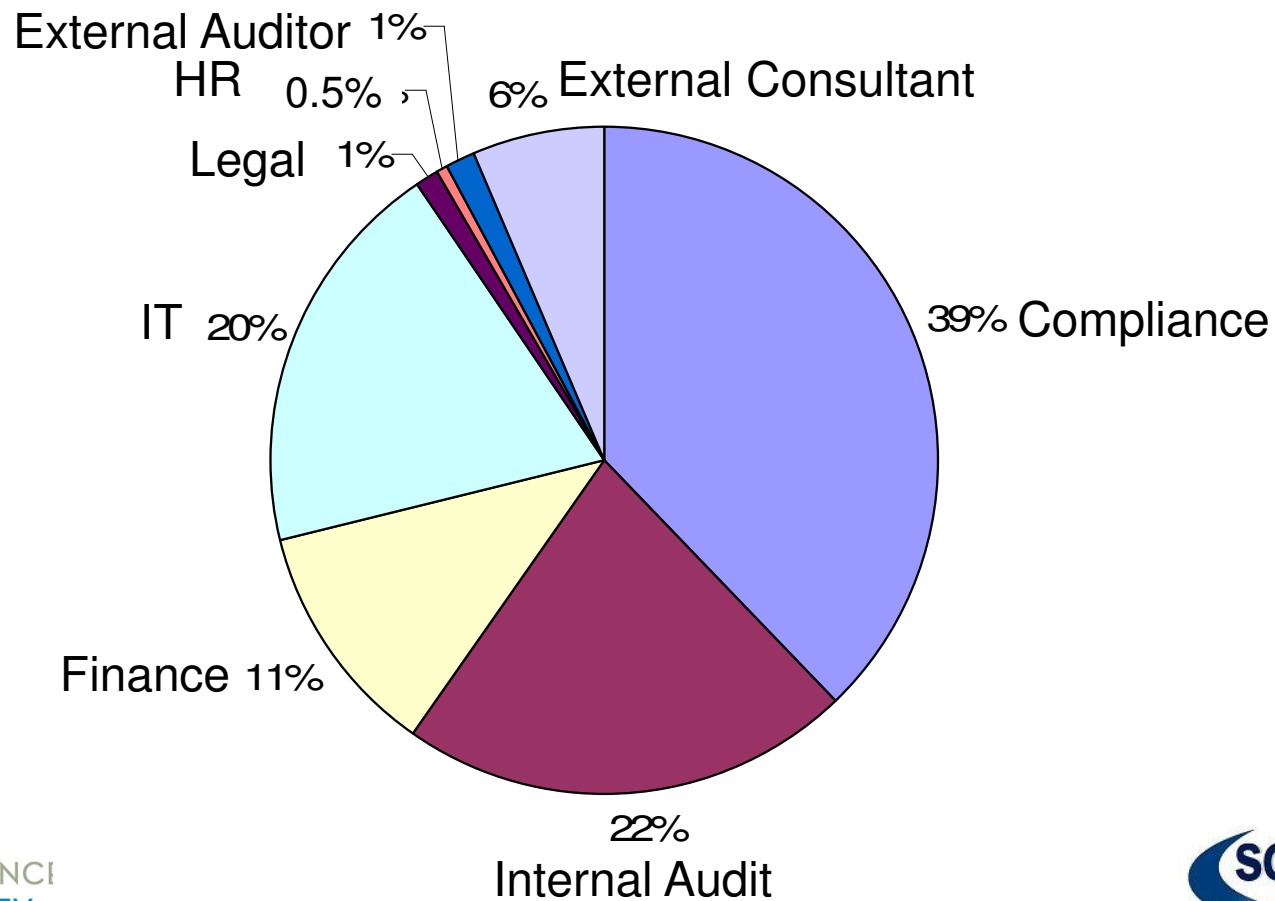
How would you characterize your role within your organization?

Over 70% of respondents have managerial responsibilities...



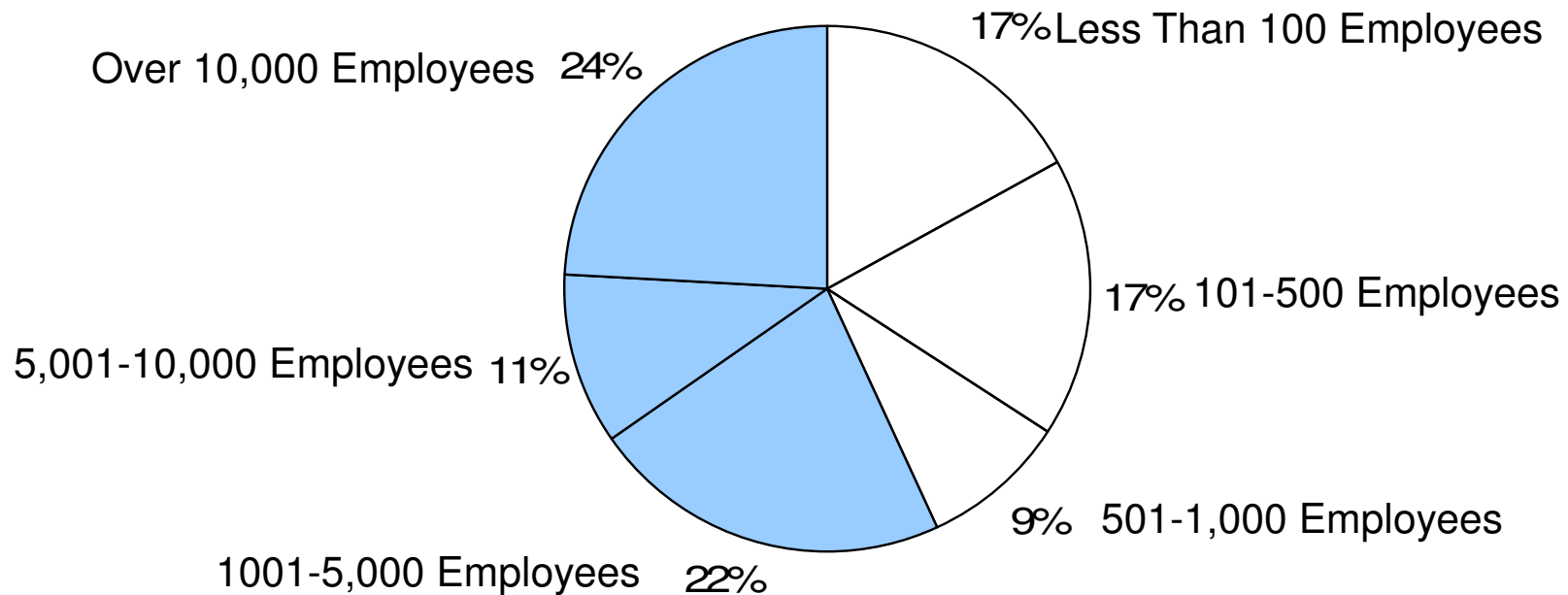
What is your primary responsibility within the organization?

The Survey Respondents Represent All The Major Areas of Compliance



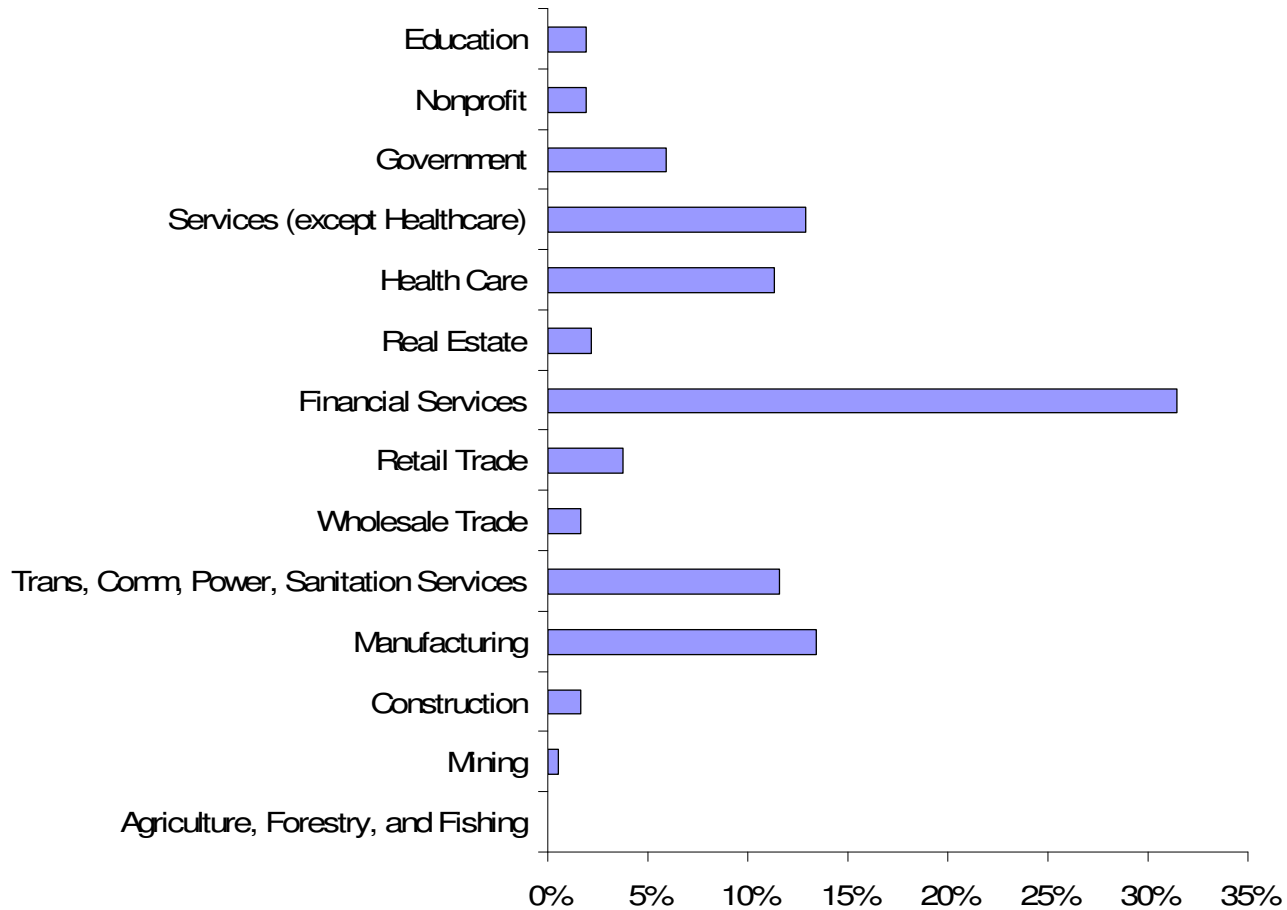
How Large Is Your Organization?

The Majority of Respondents, Over 57%, Are From Larger Companies



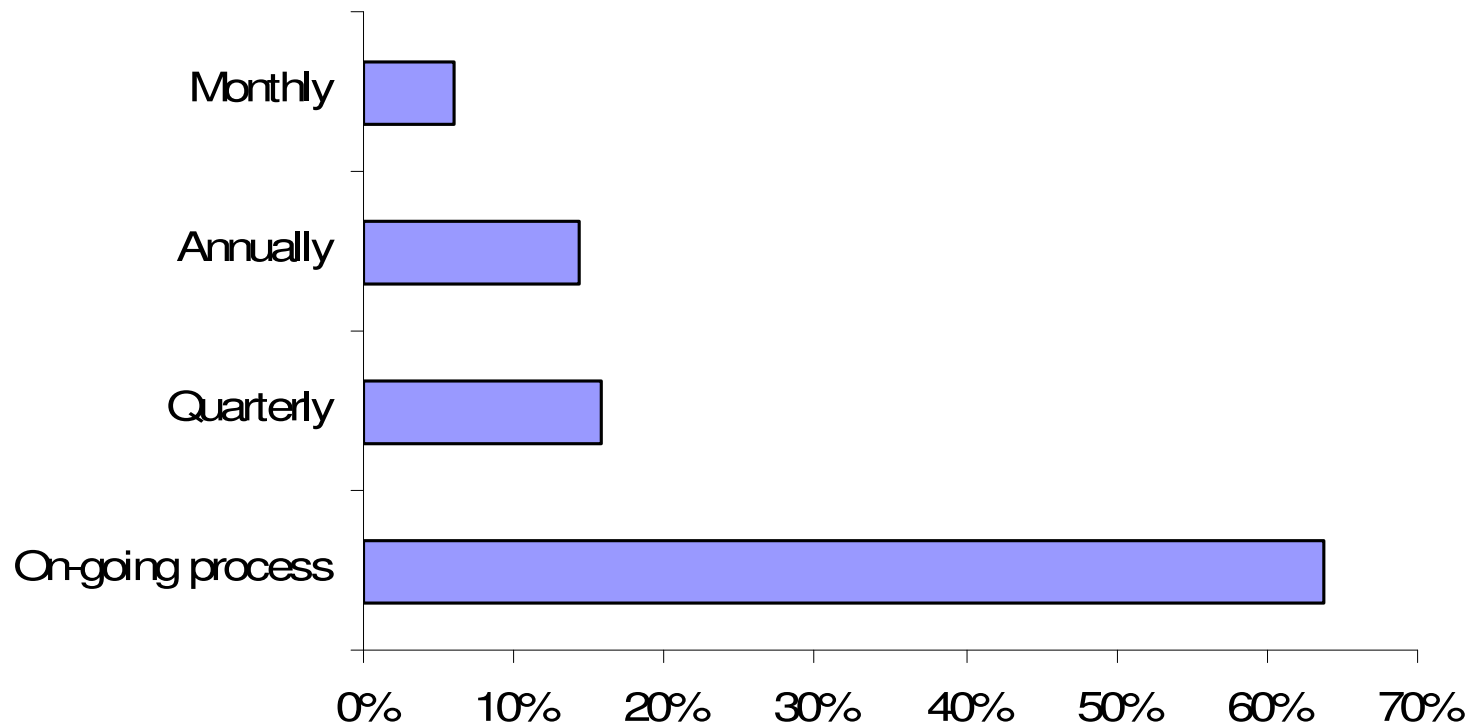
What is your primary industry?

There is a broad representation of industries included in the survey



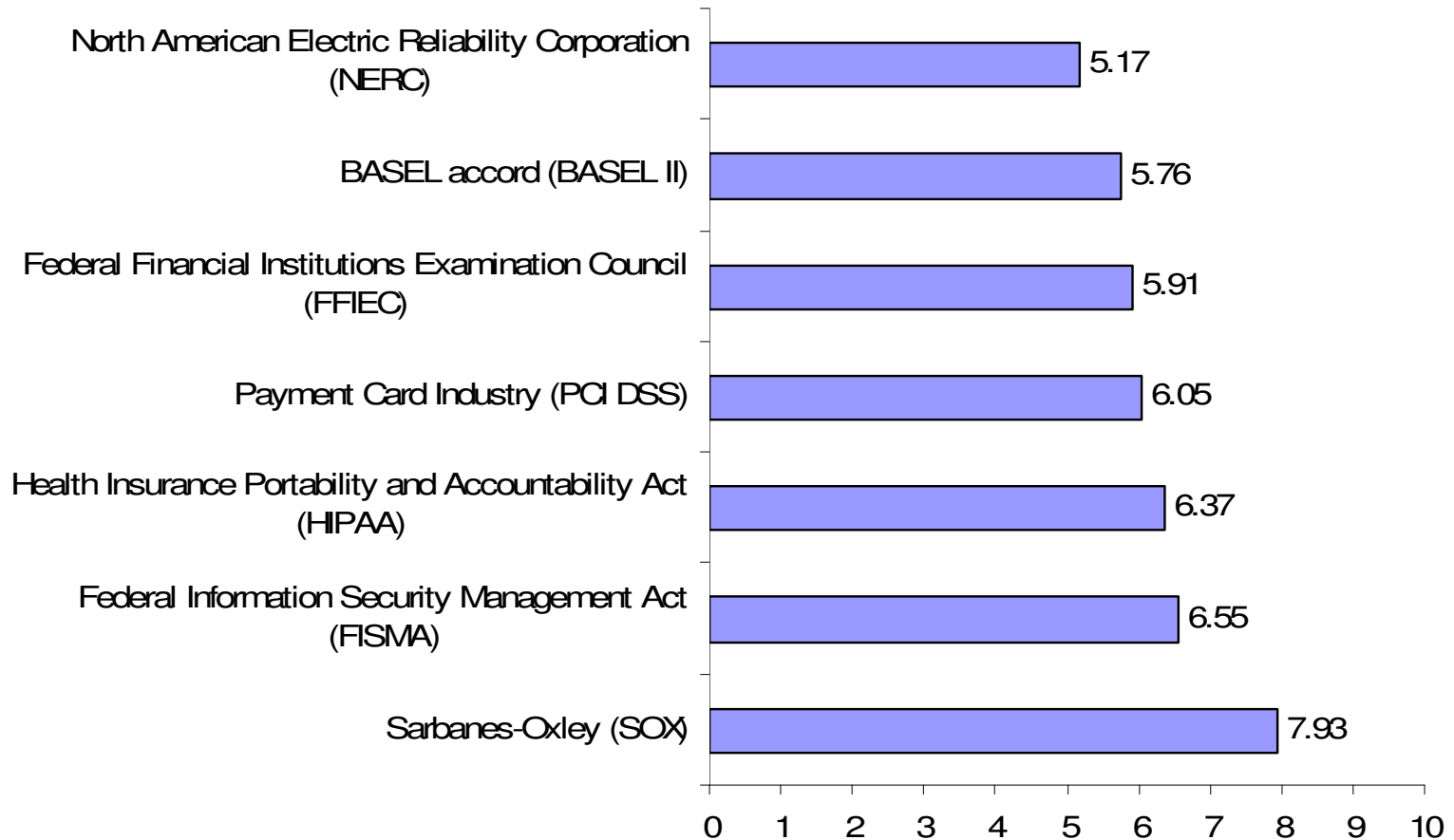
How often does your organization perform compliance audits and associated reports?

The compliance process is part of operational activities of most companies



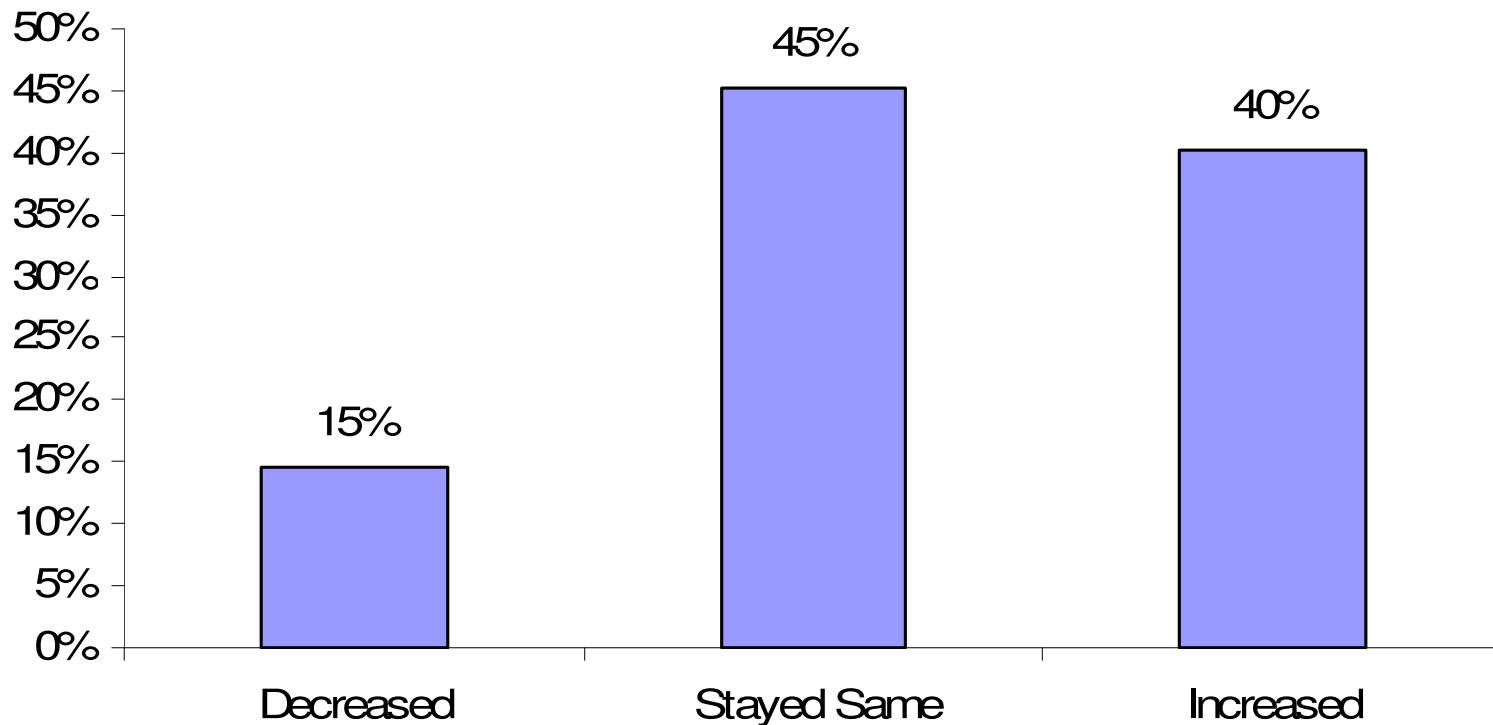
Please rank the following regulations with respect to your organization's compliance priorities.

Sarbanes-Oxley is clearly the most important compliance priority



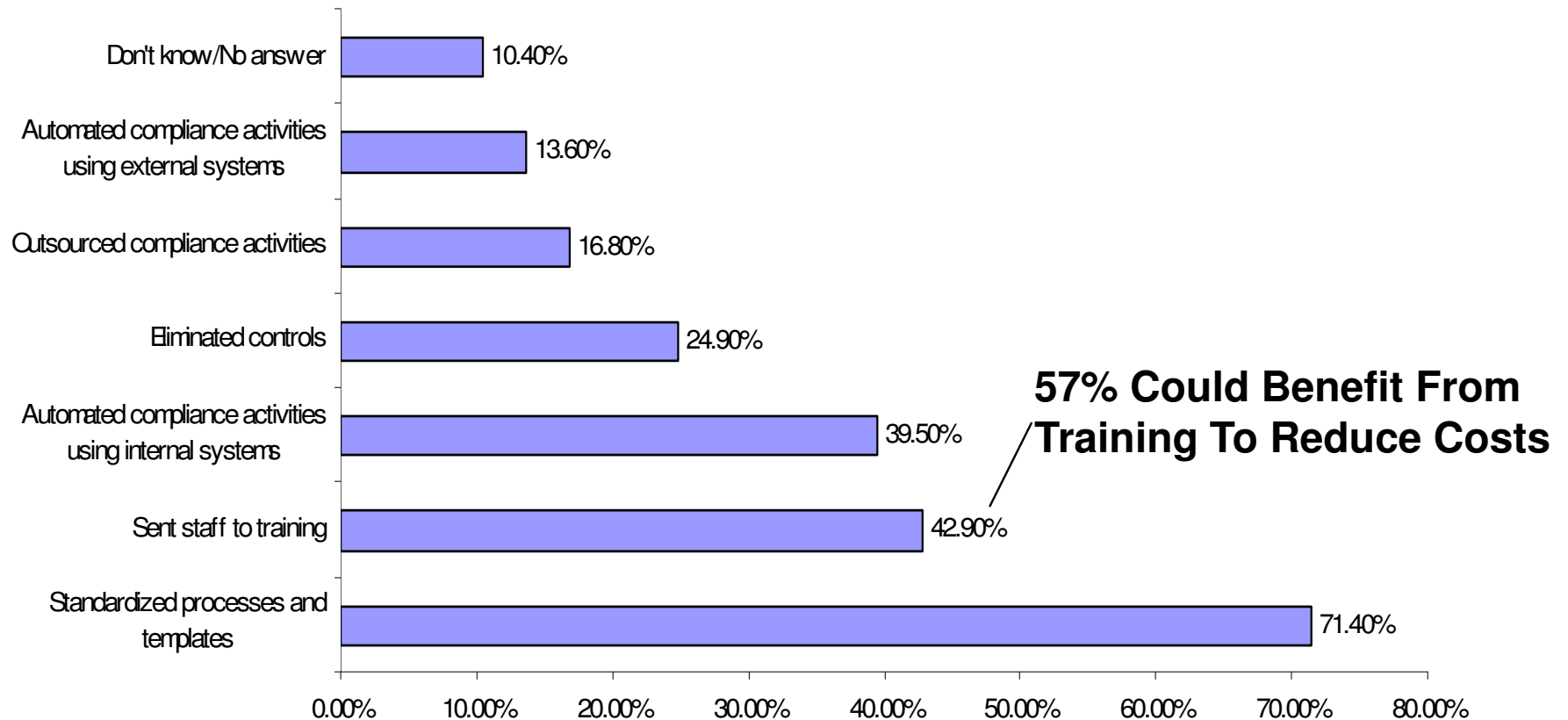
How has your organization's spending on compliance changed in the last year?

Compliance spending remains strong and is increasing for many companies

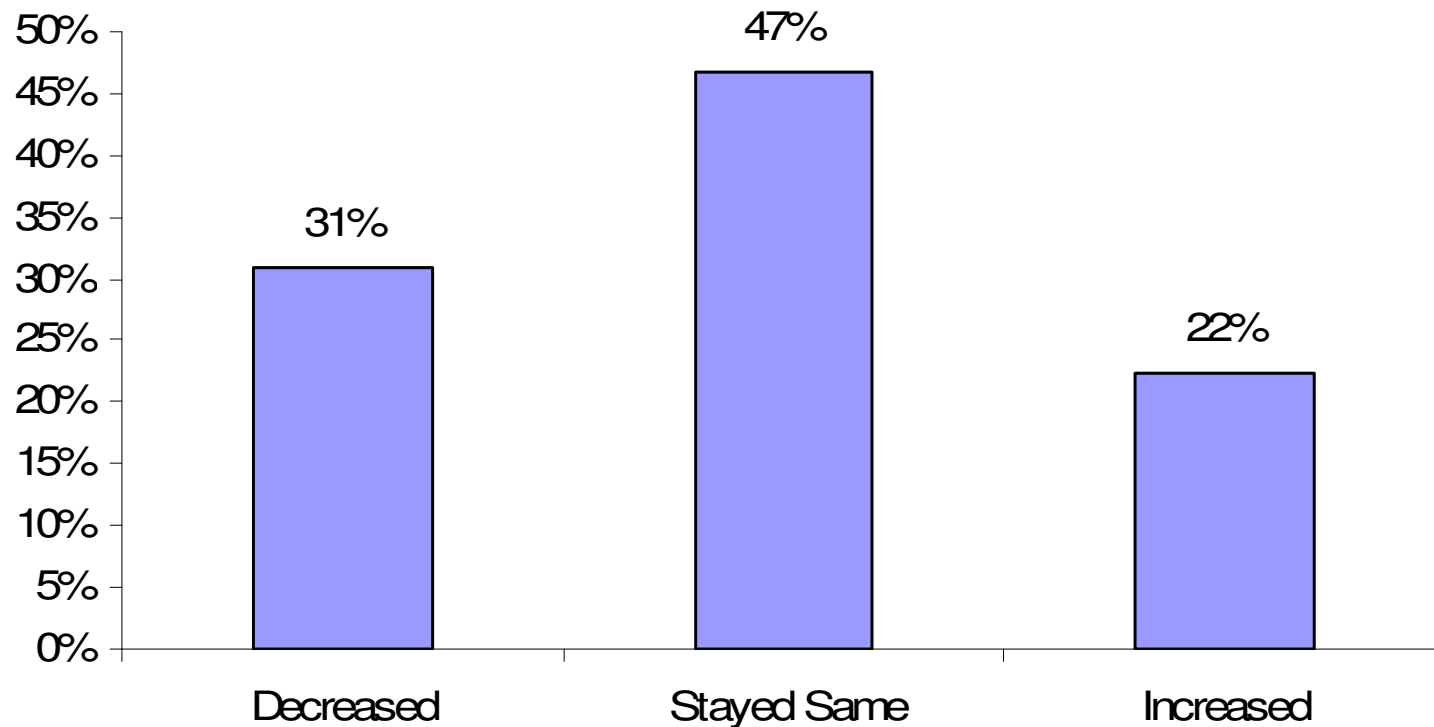


Which of the following actions has your company taken to reduce compliance costs?

Training is an important method of reducing compliance costs

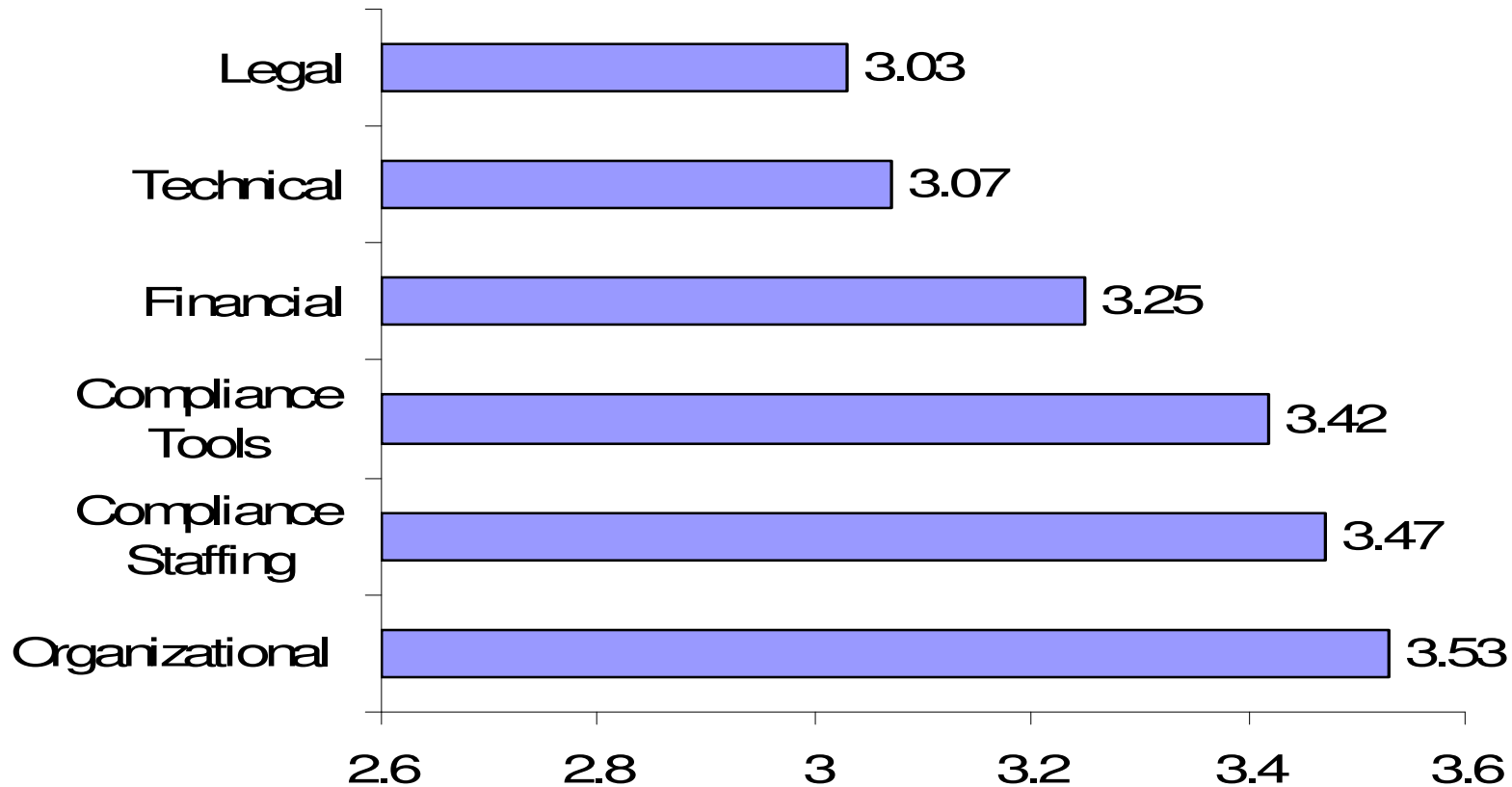


How has your organization's risk of non-compliance changed in the last year?



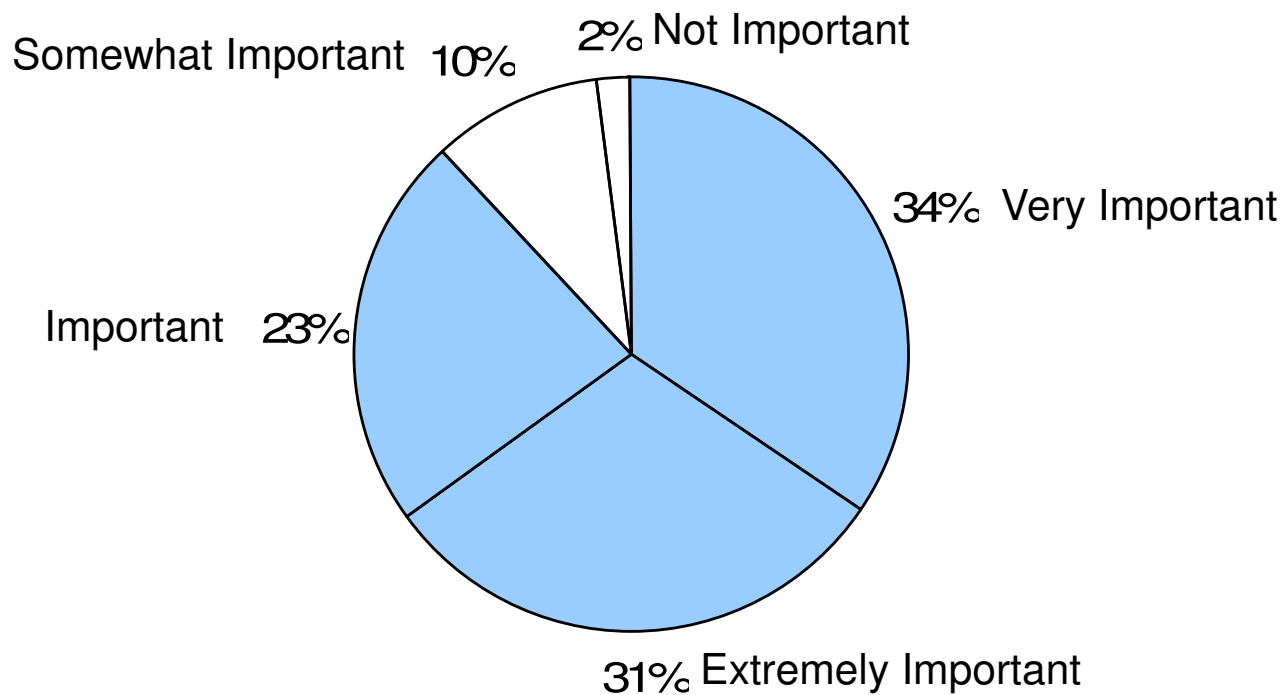
Please indicate the barriers to implementing a successful compliance process

Training can address the two most important barriers to compliance



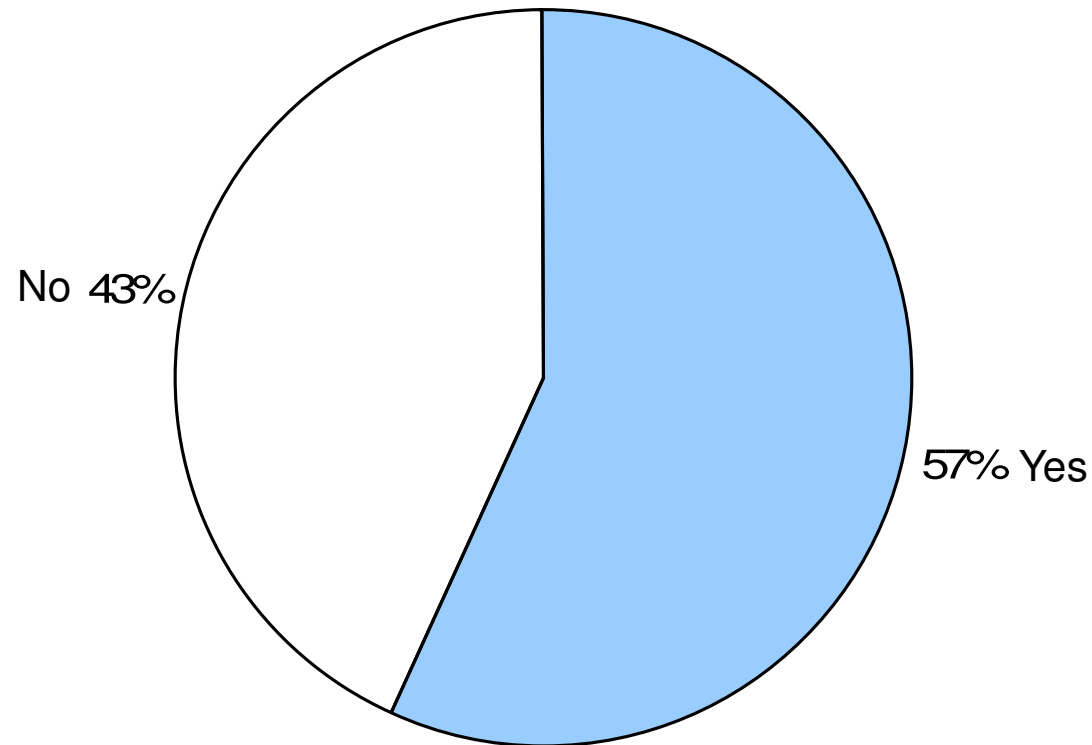
How important is it to your organization to eliminate the barriers to a successful compliance program?

88% of respondents feel eliminating barriers to compliance is important



Do you utilize tools to automate the compliance process?

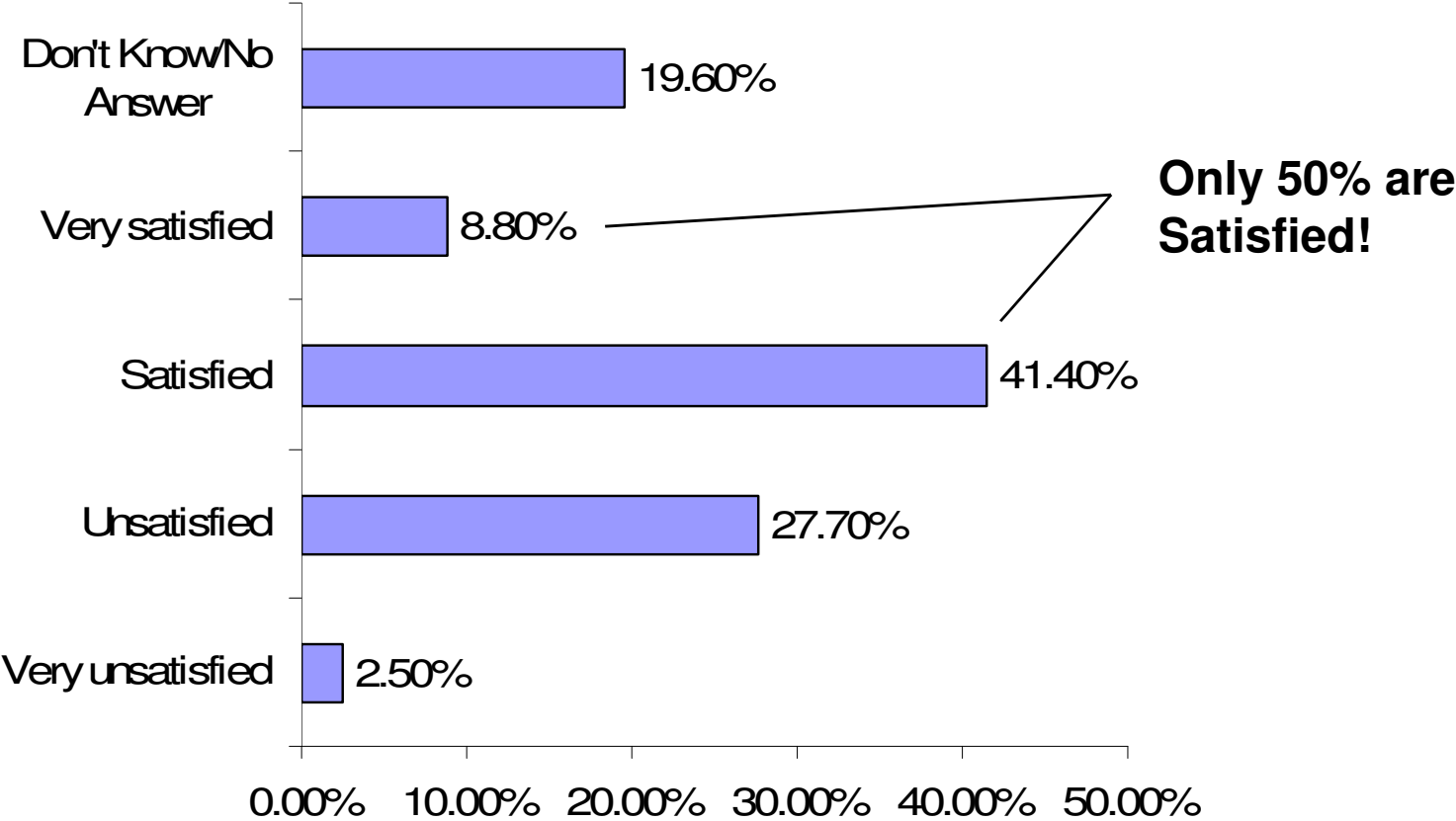
The majority of companies are using tools to overcome barriers to compliance



What are the business drivers for adopting and deploying compliance tools or solutions?



Please indicate how satisfied you are with your existing compliance tools/solutions?



What would the ideal compliance software accomplish for you?

- “Automate and eliminate manual process: tracking, monitoring and reporting of open issues”
- “A dashboard system would allow enterprise-wide evaluation of compliance with a single tool”
- “Have it encompass process flow and narrative documentation. Also, based on the process flow input and narratives it could help in risk assessment, control identification and control gaps”
- “Streamline documentation and reporting, eliminating the need to constantly download data into Excel to revise and enhance presentation”
- “Lowered cost of internal and external audit process, minimize audit timeframe, more efficiently, accurately, effectively maintain compliance”

What would the ideal compliance software accomplish for you?

- “Integrate risk assessment, documentation and testing with clear management reports including drill down”
- “Hopefully, decrease the amount of time needed to document test results and audit requirements”
- “It should be easily understandable by non finance people. It should be easy to implement and be should be transferrable across different accounting platforms”
- “Workflow - Easy to Use - Web Based Access - Streamline Process”
- “Mapping of our controls and processes, tied to key responsibilities of individuals.”
- “Provide realtime reporting of progress of testing. Act as a repository for all SOX documentation, testing results, User Entitlement recertifications, record all process & control owner sign-offs, responses, etc. Analyze corporate risk for non-compliance based on key data that we provide. Integrate ledger data to pull in accounts that may become material, thus including potentially other processes that are currently out of scope”
- “Document management, track compliance assignments, automatic email reminders for annual reviews, compliance reports for self assessments, reports by assigned personnel to requirements”

Conclusion

- A number of companies could reduce their compliance costs thru the use of training
- A significant number of companies do not yet use tools to automate the compliance process
- Only half of the companies that use tools are satisfied with their tools
- The survey revealed a number of characteristics of ideal software platform that can be used as a roadmap for the development of future tools