

Program Effectiveness: Designing and Planning a Program Assessment

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Survey Question 1

How many employees make up your ethics team
(or compliance and ethics if combined)?

- a) 1-5
- b) 5-25
- c) 25-100
- d) >100



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Survey Question 2

How do you currently measure the effectiveness of your program?

- a) Don't currently
- b) Company-wide survey
- c) We work with a vendor
- d) Other

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“The organization shall take reasonable steps . . . to evaluate periodically the effectiveness of the organization's compliance and ethics program . . .”

- USSG §8B2.1(5)(B)

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How we think about effectiveness

Is our program:

- tailored to our organization?
- advancing our strategic plan and core values?
- engaging employees and changing behavior in ways that:
 - Prevent misconduct
 - Increase ability/willingness to report misconduct
 - Enhance ethical decision-making
- responsive to changing environments and stakeholder expectations?



Who we are

U.S. Bancorp is the fifth largest commercial bank in the country, chartered in 1863

Approximately 75,000 employees serve more than 18 million customers through four major business lines

We are a regional retail bank with 3,018 banking offices in 25 states

Some operations extend nationwide and internationally

Regional
Consumer & Business Banking and Wealth Management



National
Corporate & Commercial Banking and Investment Services



International
Payment and Investment Services



A stand-alone ethics function



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Building a program assessment

- Government guidance
- General guidance
- Industry-specific guidance
 - Regulatory guidance
 - Examination manuals

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| Global Ethics Office Program Effectiveness: U.S. Bancorp | |
| The Federal Sentencing Guidelines require effectiveness review: Section 8B2.1 (5) states: The organization shall take reasonable steps— (B) To evaluate periodically the effectiveness of the organization's compliance and ethics program. | Global Ethics Office Purpose: To place an intentional focus on ethics in every action taken by the Bank and its employees. That means providing employees |
| | |
| Effectiveness review: Existence, design and effectiveness of the program | |
| Standards and procedures - 882.1(b)(1) | <p>Description</p> <p>Design: Policies and procedures exist to prevent misconduct</p> <p>Design: Policies and procedures exist on key risk areas the organization faces</p> <p>Design: Business units/divisions are consulted prior to policy rollout</p> <p>Design: Functions are held accountable for supervisory oversight of policies and procedures</p> <p>Design: Clear guidance exists for gatekeepers (payers; reviewers) of control processes</p> <p>Design: Gatekeepers have a process for raising concerns</p> <p>Design: Policies and procedures are rolled out/communicated</p> <p>Design: The company has communicated policies and procedures relevant to third parties</p> <p>Design: There are individuals responsible for integrating policies and procedures</p> <p>Design: Those integrating policies and procedures have consulted with officers and/or business segments in doing so</p> <p>Design: There are processes for preventing and detecting improper access to funds (reimbursements, discounts, petty cash)</p> <p>Design: There is a process for vendor selection and all vendors go through it</p> <p>Effectiveness: The usefulness of policies and procedures is evaluated</p> <p>Effectiveness: Policies and procedures are effectively implemented</p> <p>Effectiveness: Understanding of policies is assessed (typically by compliance personnel)</p> <p>Effectiveness: Standards and policies are accessible</p> <p>Effectiveness: The company regularly updates policies, procedures and practices</p> <p>Effectiveness: The company has taken steps to determine whether policies/procedures/practices make sense for particular business segments/subsidiaries</p> <p>Effectiveness: Program takes into account relevant developments in the field, and evolving international and industry standards</p> |
| Governing authority - 882.1(b)(2) | Design: High level individuals are assigned overall responsibility for E&C program |
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| <p>Description</p> <p>Effectiveness of the program</p> <hr/> <p>Design: Policies and procedures exist to prevent misconduct</p> <p>Design: Policies and procedures exist on key risk areas the organization faces</p> <p>Design: Business units/divisions are consulted prior to policy rollout</p> <p>Design: Functions are held accountable for supervisory oversight of policies and procedures</p> <p>Design: Clear guidance exists for gatekeepers (payers; reviewers) of control processes</p> <p>Design: Gatekeepers have a process for raising concerns</p> <p>Design: Policies and procedures are rolled out/communicated</p> <p>Design: The company has communicated policies and procedures relevant to third parties</p> <p>Design: There are individuals responsible for integrating policies and procedures</p> <p>Design: Those integrating policies and procedures have consulted with officers and/or business segments in doing so</p> <p>Design: There are processes for preventing and detecting improper access to funds (reimbursements, discounts, petty cash)</p> <p>Design: There is a process for vendor selection and all vendors go through it</p> <p>Effectiveness: The usefulness of policies and procedures is evaluated</p> <p>Effectiveness: Policies and procedures are effectively implemented</p> <p>Effectiveness: Understanding of policies is assessed (typically by compliance personnel)</p> <p>Effectiveness: Standards and policies are accessible</p> | U.S. BANCORP 10 |
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Survey Question 3

What is your program modeled after?

- a) Federal Sentencing Guidelines
- b) Benchmarking from other companies
- c) A structure we inherited
- d) What does this question even mean?

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What measuring effectiveness won't do . . .

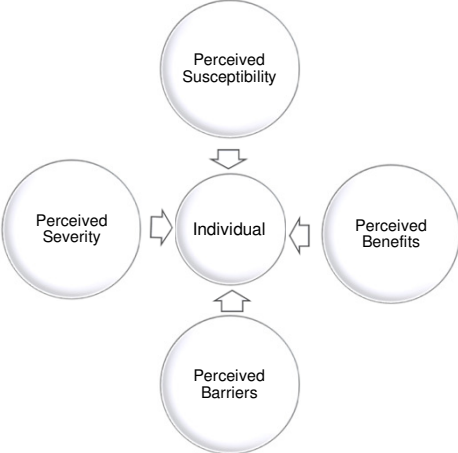
- Tell you how to fix problems
- Tell you if people will act unethically
- Tell you how employees feel
- Guarantee success

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A model beginning

Measuring effectiveness requires something to start from. That something should be some kind of plan or model.

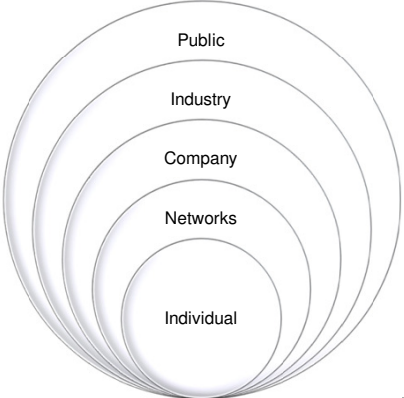
Traditional model; tell the employee and expect them to act



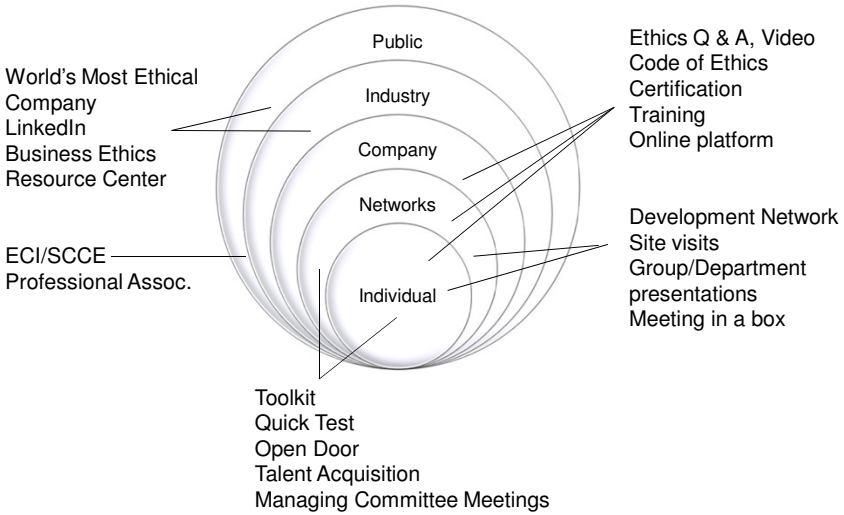
Our approach

We're applying a new model – rooted in public health practice and behavioral science

ecological model; population based, drives awareness across all spheres in which individuals interact



How we are implementing



Metrics

| Good | Better | Next |
|----------------------------------|------------------------------------|--|
| Training completion | Training assessment | Feedback (see next slide) |
| Hotline volume | Substantiation and anonymity rates | Trends in usage resulting from awareness efforts |
| Code certification | Code downloads | Most used links and policies within the Code |
| Accessibility | Translation | Population specific feedback |
| Click rates | Shares, downloads, or comments | Time spent on page or hover text |
| Reputation scores | Voice of customer results | Drivers of reputation |
| Engagement/ethics survey results | Exit survey results | Focus group results |

Training Feedback

What our employees are saying

"I hope all managers take the time to slow down and recognize the importance of this content to their daily interactions."



"It was so nice to take a training that was informative and offered learning through situations that we face all the time."



"I really appreciated the new format as not only engaging and thought provoking, but honest and true to reality."



"I thought it was fun! That's something I've never said about a required training class before!"

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A conversation about what's next

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