



Benchmarking Entities

An Estate Audit Rating System (EARS) was developed with criteria based on the COSO framework. Weightage was given to take into account effectiveness and efficiency of operations, adequacy and accuracy of documentation, compliance of statutory requirements and utilisation of assets.

Frequent sittings were scheduled with the management in the various levels right from the executives to the functional heads to ascertain the validity of the weightage given. Past performances were tested on the rating methodology drawn up to project the adequacy and reasonableness of the system.

A detailed explanation for the various factors considered for the rating of performance was provided to reduce ambiguity in understanding the concepts. In addition, standard formats were provided for presentation to ensure uniformity.

All units were identified as individual profit centers and performance mapped on a common scale. The fine tuning exercise was carried for initial 3 cycles to ensure that concerns of all persons involved in the exercise were addressed.

This EARS was adopted as a standard for reviewing performance and reporting by the organisation.

An organisation in the plantations industry had estates spread over the length and breath of the country. Each estate was showing different performance results. How were they to be reviewed? What is the basis for comparison of performance?