

# The Virtuous GORC Cycle

Updated 2022

## The Virtuous Cycle

The Miriam-Webster dictionary defines a virtuous cycle as ‘A chain of events in which one desirable occurrence leads to another which further promotes the first occurrence and so on resulting in a continuous process of improvement.’

The classic virtuous cycle of continuous improvement is the quality PDCA (Plan, Do, Check, Act) cycle.

The one drawback of the PDCA cycle is that it does not account for the influence of the governing body and executives.

To overcome this flaw, the IIA-Australia has published a model to improve total compliance assurance.

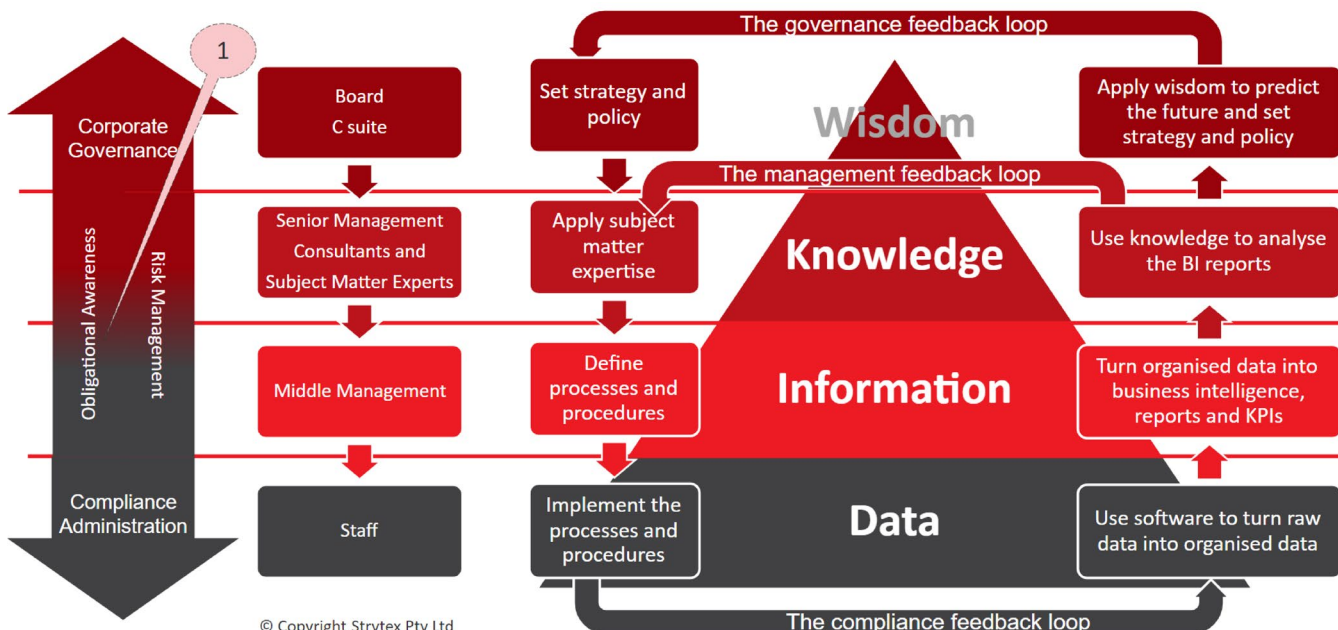
The virtuous cycle is analysed through the lens of the DIKW (Data, Information, Knowledge, Wisdom) model – refer Figure 1. The model analyses organisational interfaces and responsibilities and splits the virtuous cycle into two streams (a) top-down processes and controls (b) bottom-up monitoring, analysis, and reporting, including a feedback loop mechanism.

The IIA-Australia has also published a suite of White Papers that detail a practical approach for implementing a compliance management system – refer Figure 2.

White Paper	Purpose
1 GORC – New and Improved GRC with Added O	Provides a method of improving conventional GRC by adding O (Obligations).
2 The Obligation Hierarchy	Provides a bias-free framework for prioritising and categorising obligations for any sized organisation in any industry.
3 The ORC Model for Compliance Management	Provides organisations with a model from which to build a comprehensive obligations register
4 The Obligations Register and the Rumsfeld matrix	Provides internal auditors with a matrix to expose the unknown unknowns in their organisation’s obligations registers.
5 The Obligations Register – Structure and Content	Provides both the structure of a comprehensive obligations register as well as a strategy for populating it.
6 Operational Compliance Management and Reporting	Proposes a single source of truth (SSOT) for operational compliance management, together with suggested compliance reports.

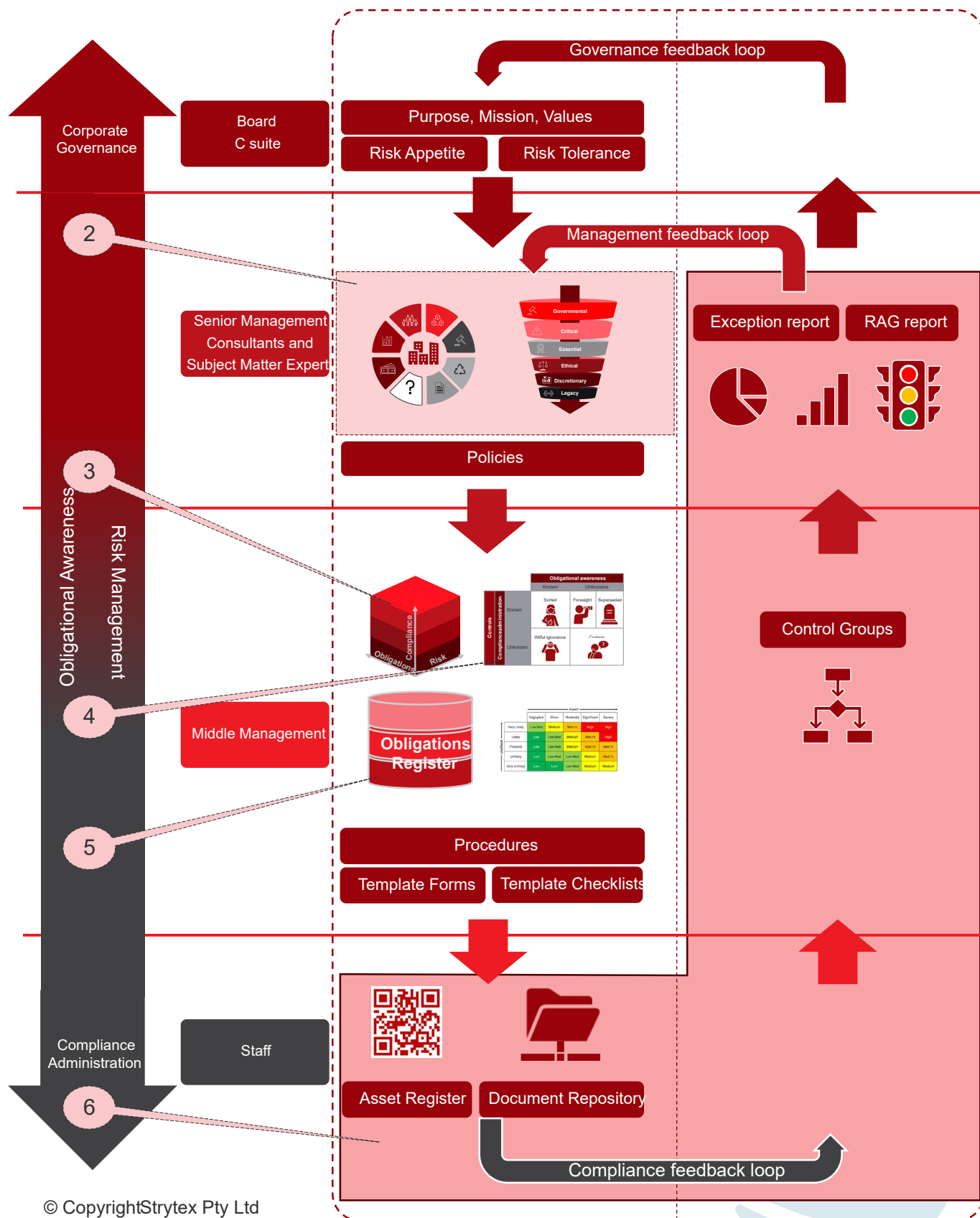
Figure 1 – The GORC/DIKW Pyramid

Reproduced from IIA-Australia White Paper ‘GORC – New and improved GRC with added O



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Figure 2 – The Virtuous GORC Cycle



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## Acknowledgement

We acknowledge Nigel Dalton-Brown in Melbourne Australia for his contribution to this Factsheet and his work creating a series of compliance-related White Papers published by the IIA-Australia.

## Useful References

- › ISO 37301:2021 'Compliance management systems – Requirements with guidance for use'
- › White Paper 'GORC – New and Improved GRC with Added O', IIA-Australia
- › White Paper 'The Obligation Hierarchy', IIA-Australia
- › White Paper 'The ORC Model for Compliance Management', IIA-Australia
- › White Paper 'The Obligations Register and the Rumsfeld Matrix', IIA-Australia
- › White Paper 'The Obligations Register – Structure and Content', IIA-Australia
- › White Paper 'Operational Compliance Management and Reporting', IIA-Australia
- › The 20 Critical Questions Series 'What Directors should ask about Compliance', IIA-Australia
- › Factsheet 'Compliance Program', IIA-Australia
- › Factsheet 'Compliance Management Systems', IIA-Australia
- › White Paper 'Auditing Your Entity's Compliance Frameworks', IIA-Australia

