



Operational Efficiency

Overview of Operations



Operations refer to the core operational functions of an organization. These operational functions include all activities that focus on the production of goods or services. Operational functions also include the process of transforming from raw materials to finished products. In general, operations refer to any process or activity carried out by an organization to achieve a specific result.

Operational Efficiency



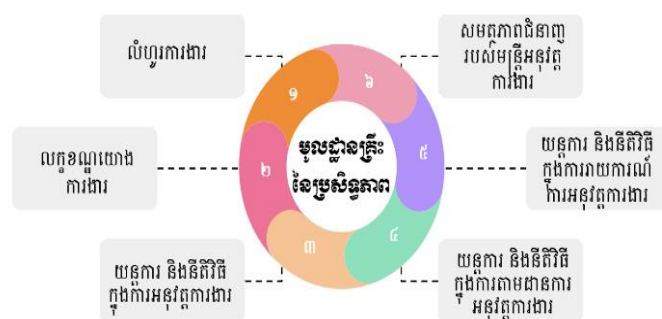
Operational efficiency refers to achieving goals and objectives by utilizing the allocated resources and obtaining the expected outcomes.

Goals and objectives (**Output**) are tangible and visible results, whereas expected outcomes (**Outcome**) may not always be visible and therefore require measurement.

Fundamental Elements of Operational Efficiency

To ensure operational efficiency within an organization, every organization shall establish six fundamental elements, including:

1. Terms of Reference



Organizations shall clearly define the roles, duties, functions, obligations, authority, and responsibilities of personnel responsible for implementing tasks. clearly defining the terms of reference allows each officer to understand their responsibilities and perform their duties with a high level of accountability. This also helps organizations effectively manage work performance because responsibilities are clearly assigned to officer in charge.





2. Workflow

A clearly defined workflow enables officer in charge to understand the order in which tasks should be performed, which activities shall be completed first, and which tasks follow subsequently.

3. Mechanisms and Procedures for Work Implementation

These are **regulatory frameworks** that define roles, responsibilities, and stages of work activities to achieve the expected outcomes.

Work implementation procedures shall be developed in the form of:

- guidelines
- instructions
- Prokas
- standard operating procedures (SOPs)
- other regulatory frameworks

These mechanisms provide clear direction and a solid foundation for officer in charge to perform their duties effectively, efficiently, and economically.

4. Mechanisms and Procedures for Monitoring Work Implementation

Organizations shall establish clear monitoring mechanisms and procedures so that leadership and relevant officer in charge involved in the monitoring process can clearly understand how monitoring shall be conducted.

These monitoring mechanisms and procedures aim to ensure that the work carried out by officer in charge complies with established regulatory frameworks.

5. Mechanisms and Procedures for Reporting Work Implementation

Organizations shall have clear reporting mechanisms to ensure that the processes of implementing work activities or operations within the organization or its departments remain updated and relevant.

Furthermore, reports shall include supporting references or evidence of work implementation to ensure that reporting is reliable and effective.

6. Competency of Officer in charge

This is an essential foundation that includes: knowledge, skills, work competencies, personal characteristics, professional development

These elements contribute to the successful implementation of work with high efficiency and effectiveness.

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References:

1. The excellence of Operational Management of the Internal Audit Unit of FSA
2. Guidelines of Operational Auditing of the Internal Audit Unit of FSA

