

Measurement Integrity Check

Measurement first. Accountability second.

DEFINE → TRACE → VERIFY → RECONCILE → DECIDE

Use this field edition to test whether a management number is trustworthy enough to drive action. Audit one measure at a time: food/product cost, labor, inventory, yield, waste, throughput, revenue, quality, safety, or a custom KPI.

The purpose is not to award a score. The purpose is to establish whether the number can be traced to reliable sources and physical reality, whether responsible people agree on how it is created, and whether the result is ready to support accountability or a material management decision.

“Show me exactly how you got that number.”

OPERATION /
ORGANIZATION

LOCATION / SITE / UNIT

MEASURE / KPI

REPORTING PERIOD

DECISION /
ACCOUNTABILITY USE

STATUS KEY C = Confirmed P = Partially Confirmed U = Unverified X = Contradicted N/A = Not Applicable

Decision-critical controls are marked YES. A contradiction in a decision-critical control should be reconciled before the measure is used for a material accountability decision.

1. Measure Definition & Source Map

MEASURE TYPE

FORMULA / DEFINITION

UNITS / NUMERATOR /
DENOMINATOR

PERIOD & FREQUENCY

MEASURE OWNER

DECISION RISK IF
WRONG

SOURCE MAP

INPUT	SOURCE / SYSTEM	OWNER	HOW CREATED	FREQUENCY	VERIFIED BY

A Measure Definition & Decision Purpose

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
A1	The measure has a written definition that states exactly what is being measured and in what units.	C / P / U / X / N/A	YES	
A2	The formula, numerator, denominator, inclusions, exclusions, and adjustment rules are defined clearly enough that another qualified person can reproduce the result.	C / P / U / X / N/A	YES	
A3	The reporting frequency and measurement period are defined and match the decisions management uses the measure to make.	C / P / U / X / N/A		
A4	The measure has an identified owner who understands both the calculation and the operating decisions influenced by the result.	C / P / U / X / N/A		

B Source Data & Ownership

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
B1	Every material input to the measure can be traced to a named source record, system, count, or observation.	C / P / U / X / N/A	YES	
B2	Each material source has a responsible owner and a defined method for creating, entering, or approving the data.	C / P / U / X / N/A	YES	
B3	Manual entries, estimates, overrides, and spreadsheet inputs are visible rather than hidden inside the final calculation.	C / P / U / X / N/A		
B4	Source data is retained long enough for management to reconstruct a material result after the reporting period closes.	C / P / U / X / N/A		

C Physical Reality & Count Integrity

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
C1	Where the measure depends on physical quantity, the quantity is actually counted, weighed, measured, scanned, or otherwise verified rather than routinely estimated.	C / P / U / X / N/A	YES	
C2	Counts or measurements are performed at a consistent point in the operating cycle using defined units and methods.	C / P / U / X / N/A		
C3	Material counts or measurements receive reasonable independent verification, recount, sample check, or supervisor review.	C / P / U / X / N/A		
C4	The physical condition of the operation is reasonably consistent with the reported result; obvious contradictions trigger investigation.	C / P / U / X / N/A		

D Calculation & Period Alignment

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
D1	The calculation uses the same formula and unit definitions from period to period unless a documented change has been approved.	C / P / U / X / N/A	YES	
D2	Inputs and outputs belong to the same reporting period, or accruals/timing adjustments are explicitly defined and reconciled.	C / P / U / X / N/A	YES	
D3	Opening and closing balances connect logically from one period to the next where the measure uses balance-sheet or inventory-type quantities.	C / P / U / X / N/A		
D4	Changes to formulas, system settings, master data, valuation methods, or data definitions are documented before comparisons are made across periods.	C / P / U / X / N/A		

E Adjustments, Transfers & Movement

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
E1	Transfers, credits, staff/employee use, complimentary use, returns, rework, scrap, write-offs, and other material adjustments are defined and handled consistently where applicable.	C / P / U / X / N/A	YES	
E2	Interdepartmental or interlocation movements have a visible other side; costs or quantities do not disappear simply because they moved.	C / P / U / X / N/A		
E3	Unusual period-end adjustments and manual journals can be explained by operating evidence rather than only by the need to reach a target.	C / P / U / X / N/A		
E4	Management can follow a material movement from its origin through the final report without losing traceability between departments, systems, or periods.	C / P / U / X / N/A		

F Reconciliation & Independent Cross-Check

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
F1	The reported result is reconciled to at least one independent source, physical reality check, or alternate calculation when the decision risk is material.	C / P / U / X / N/A	YES	
F2	Material variances are investigated and explained with evidence instead of being routinely adjusted away or carried forward.	C / P / U / X / N/A		
F3	The reported trend is plausible when compared with known operating changes such as price, volume, staffing, mix, yield, inventory, or process changes.	C / P / U / X / N/A		
F4	The organization can reproduce a prior material result from retained source information without relying on one person's memory.	C / P / U / X / N/A		

G Consistency of Understanding

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
G1	Finance/data ownership and operations describe the measure, formula, and principal inputs in materially consistent terms.	C / P / U / X / N/A	YES	
G2	The person responsible for the principal source data describes the collection or counting method consistently with management's understanding.	C / P / U / X / N/A		
G3	Differences in explanations are resolved before the measure is used to assign accountability or demand corrective action.	C / P / U / X / N/A		
G4	Managers who receive the report understand what the measure does and does not prove, including important limitations or assumptions.	C / P / U / X / N/A		

H Target Pressure & Reporting Behavior

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
H1	Targets are used to trigger questions and improvement rather than to pressure people to make the reported result look acceptable at any cost.	C / P / U / X / N/A		
H2	There is no known pattern of optimistic counts, timing shifts, unsupported accruals, selective transfers, or other adjustments used primarily to protect a target or bonus result.	C / P / U / X / N/A	YES	
H3	A result that is worse than target can be reported without encouraging concealment, manipulation, or punitive shortcuts before the cause is understood.	C / P / U / X / N/A		
H4	Management reviews unusual end-of-period movements and asks whether the operation actually improved or only the appearance of the report changed.	C / P / U / X / N/A		

I Decision Readiness & Change Control

ID	CONTROL / EVIDENCE TEST	STATUS	CRIT.	EVIDENCE / NOTES
I1	The measure is reliable enough for the specific management decision being considered; higher-risk decisions require stronger evidence.	C / P / U / X / N/A	YES	
I2	Known limitations, estimates, evidence gaps, or unresolved contradictions are disclosed alongside the result rather than hidden from decision-makers.	C / P / U / X / N/A		
I3	When the measure changes materially, management investigates what changed in the operation before prescribing a cost, labor, product, quality, or service correction.	C / P / U / X / N/A		
I4	After a measurement-system correction, management verifies that subsequent reports use the corrected method and that prior comparisons are interpreted appropriately.	C / P / U / X / N/A		

2. Three-Person Consistency Test

Ask each person independently how the measure is created. Do not tell the second person what the first person said. The purpose is not to catch someone out; it is to find where the organization is working from different definitions or assumptions.

**FINANCE / DATA OWNER -
EXPLAIN THE MEASURE
AND CALCULATION**

**OPERATIONS /
DEPARTMENT LEADER -
EXPLAIN THE MEASURE
AND CALCULATION**

**SOURCE / FRONTLINE
OWNER - EXPLAIN HOW
THE PRINCIPAL SOURCE
DATA IS CREATED**

**MATERIAL AGREEMENT?
YES / PARTLY / NO**

**WHAT MUST BE
RECONCILED?**

3. Movement & Adjustment Map

Use this when costs, quantities, credits, transfers, staff use, complimentary use, rework, scrap, write-offs, or period-end adjustments move between departments, systems, locations, or reporting periods. Every material movement should have an operating reason and a visible other side.

MOVEMENT / ADJUSTMENT	FROM	TO	REASON	EVIDENCE / OTHER SIDE

4. Management Integrity Conclusion

DECISION READINESS ☐ Verified for Management Use ☐ Usable with Caution ☐ Integrity Not Yet Confirmed ☐ Escalate Integrity Risk

MANAGEMENT
CONCLUSION

KNOWN LIMITATIONS /
ASSUMPTIONS

IMMEDIATE SAFEGUARD
WHILE UNRESOLVED

WHAT MUST BE
CORRECTED BEFORE THE
NEXT REPORTING CYCLE

Corrective Action & Verification Register

INTEGRITY GAP / ACTION	OWNER	DUE	EVIDENCE REQUIRED	LATER-CYCLE VERIFICATION

CLOSE-THE-LOOP STANDARD

Do not close a measurement-integrity action because a spreadsheet was changed. Close it only after the corrected method is used under real operating conditions and a later result can be reconstructed from reliable evidence.

This management tool does not replace a financial audit, regulatory inspection, legal opinion, food-safety validation, or other specialist review where required.