Overview and Practical Review of ISO37001 Antibribery Management Systems

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Agenda

› A quick overview of ISO37001

› Practical review of ISO 37001 Guideline

› What is the requirement for certification, and who is qualified for auditing

› Q & A
Objective and background

- To develop ISO anti-bribery management standard for public, private and non-profit sector. Generic and applicable to all sizes & types of organizations

- Multiple countries including:
  - 65 experts working towards this International Standard

Participating entities

- New Work Item Proposal (NWIP) : Nov 2012 – Feb 2013

Approach

- October 2016

Publication

Development of
ISO37001
### What is ISO 37001:2016?

- It is designed to help an organization establish, implement, maintain, and improve an anti-bribery compliance program or “management system.”
- It includes a series of measures and controls that represent global anti-bribery good practices.
- Now, there is an internationally-recognised minimum set of measures for an organisation to have in place to prevent, detect, response and investigate bribery.
ISO 37001 Certification

3rd party certification bodies can certify an organization’s compliance with ISO 37001 standard in the same way they do for other ISO standards (ISO 9001, ISO 14001, etc)

While it cannot guarantee that there will be no bribery in relation to your organization, certification or compliance with this ISO 37001 standard can help you implement robust and proportionate measures that can substantially reduce the risk of bribery and address bribery where it does occur.

ISO37001:2016

←---PLAN---→ DO CHECK ACT

- Requirement for certification
- The certification is valid for 3 years and is subject to yearly surveillance reviews

--- Plan ---

- Do
- Check
- Act

--- Plan ---

- Do
- Check
- Act

--- Plan ---

- Do
- Check
- Act

--- Plan ---

- Do
- Check
- Act
Certification

Up to April 2017

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Europe: 60 (62.50%)
Asia: 20 (20.83%)
Americas: 10 (10.42%)
Middle East: 6 (6.25%)

INPRES No: 10 / 2016

Aksi Pencegahan Dan Pemberantasan Korupsi
Tahun 2016 dan Tahun 2017
ABMS and its compliance program greatly reduces the risk to your organization of suffering the high costs, penalties and reputational damage associated with bribery.

The Argentine Congress has taken new steps to fight transnational bribery and crimes against the public administration with its passage of the Law on Corporate Criminal Liability No. 27401 on Nov. 8, 2017. The law is intended to raise awareness among companies on how they can prevent corruption, specifically with efforts to strengthen organizational culture, controls and anti-fraud policies as well as their processes and systems.
State Law No. 7.753/2017

According to the State Law No: 7.753/2017 of Rio de Janeiro, which now requires companies interested in doing business with the State Government to implement and maintain Compliance Programs.

The requirement only applies to public contracts that are valid for 180 days or more and that surpass BRL 1,500,000.00 Reais for construction works and engineering services, or BRL 650,000.00 Reais for purchase of goods and provision of services.

November 22, 2017

QUÉBEC, June 13, 2018

The Minister for Integrity of Public Contracts and Information Resources, Robert Poëti, announced that the Government of Québec will continue its efforts to counter corruption by setting up a project major pilot to implement the ISO 37001 standard in various public entities.

1. Hydro-Québec
2. Department of the Family
3. Center for Shared Services
4. Department of Transportation, Susta Mobility & Transportation Electrification
Practical review on 37001

- Shall we benchmark our program using ISO37001 framework?
- Shall we go for ISO37001 certification?

Different views

Compliance Community

DEFECTS IN THE ISO 37001 CERTIFICATION
Thomas R. Fox, Compliance Evangelist

Toward Evidence-Based Programs: Thoughts on ISO 37001 and Certifications
Chen Hui, ex-DOJ Compliance Counsel

HOW DOES THE ISO 37001 FOSTER AN EFFECTIVE COMPLIANCE CULTURE?

Philippe Montigny, CEO of ETHIC Intelligence

Kristy Grant-Hart on ISO 37001: Who's doing the certifying (and other responses to Hui Chen)
Kristy Grant-Hart, CEO of Spark Compliance

Worth MacMurray: How to know if your program is ISO 37001 certifiable
Worth MacMurray, Principal at Governance & Compliance Initiatives
Shall we adopt 37001 standard?

**YES**
- A structured process to identify the missing anti-bribery components / benchmarking/ areas for continuous improvement
- Ensures all the “active” records and procedures are well documented
- Endorsed by a neutral third party with regular audits/reviews
- ISO 37001 audits mobilize every department in the company
- Suppliers and subsidiaries to meet the same objective standard
- Enables companies to navigate through the legal requirements of different legal jurisdiction

**NO**
- A paper program
- Nothing new
- No statistical evidence it is effective
- Not a guarantee that bribery will never occur
- Unclear if it will reduce fines/ sentence if a company is prosecuted
- Costs may outweigh the benefits (money, time and resources)
- Unclear if the standard will be widely adopted
- How good/consistent for certification bodies/auditors to perform the certification

How to adopt ISO37001 standard

- **Define scope** of the existing anti-bribery management systems
- Perform **gap analysis** to identify the gaps (vs requirement)
- **Train** the project team and interested parties
- Plan & develop (vs gap) of documentation/processes/ indicators to fulfill the requirement
- Implementation/data collection
- Conduct **training** before internal audit/certification
- Perform **internal audit** and **management review**
- Conduct pre-assessment audit (optional)
- Request certification body to perform stage 1 & stage 2 audits (for certification)
- Provide corrective actions for minor non-conformity(if any) before obtaining the certification (for certification)
Certifying bodies are important

Certifying and audit bodies are governed by

- **ISO 19011:2011** (guidance on auditing management systems, including the principles of auditing, managing an audit programme and conducting management system audits, and evaluation of competence of individuals involved in the audit process)

- **ISO/IEC Technical Standard 17021-1** Conformity Assessments - Requirements for Bodies Providing Audit and Certification of Management Systems;

- **ISO/IEC Technical Standard 17021-9** Conformity Assessment - Requirements for Bodies Providing Audit and Certification of Management Systems Part 9; Competence Requirements for Auditing and Certification of Anti-Bribery Management Systems
  - ISO 37001 requirements
  - Bribery concepts & scenarios, risks associated with 3rd parties, and “red flags”
  - Bribery risk assessment and due diligence
  - Designing and evaluating anti-bribery controls

Certifying bodies are important

Evaluate your potential CB based on your organization’s needs:

- Accredited vs. Unaccredited?
- Recognized locally, regionally, globally?
- Experience in the relevant industry, geography, organization size & structure?

A list of Certification Bodies can be obtained from respective NABs (national accreditation bodies). In Singapore, it is Singapore Accreditation Council (SAC) - Spring Singapore.
Support from all levels

Reasonable, proportionate, practicable

Certifications are not a guarantee against future misconduct, nor does it shield a company from prosecutions

No one size fits all compliance programme, depends on the risks of the company is operating (sector, geography, likelihood of dealing with government officials/third parties)
ISO37001 standard

DO NOT OVER-ESTIMATE its values – No Bribery at all or a shield from prosecution!

There are other guidelines/best practices to build an effective anti-bribery program.

ISO37001 is a Certified Standard

It's the process in putting those best practices together and are reviewed continuously.
Questions

You can also send your questions to

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