ISO 37001 anti-bribery management systems standards

Bribery is widely acknowledged as one of the greatest challenges to international development and poverty relief. For organisations and individuals, bribery poses a criminal, financial and reputational risk. Ethical organisations lose work to unethical competitors. Bribery reduces quality, increase costs, and endangers lives. Increasing awareness of the damage caused by bribery has resulted in calls both at international and national level for effective action to be taken to prevent bribery.

Several international conventions have been passed which require signatory countries to criminalise bribery and to take effective steps to prevent and deal with it. Most countries have introduced or strengthened anti-bribery laws. All OECD countries have made it an offence for organisations and individuals from those countries to pay bribes to public officials in other countries. Numerous cases of prosecution of organisations and individuals for bribery have now occurred in many countries.

However, it is not sufficient merely to have good laws and prosecution. Good management in government, in organisations and on projects is vital if bribery is to be prevented. Bribery prevention should be treated in a similar manner to quality and safety management. A significant number of organisations internationally have responded to the changing legal and ethical environment by implementing anti-bribery management systems within their organisations, partly because it is the right thing to do, and partly to ensure that the organisation and its employees do not fall foul of anti-bribery laws. It is not sufficient for an organisation to implement controls only within its own organisation. Ethical organisations also need to take reasonable steps to ensure that their partners, agents, consultants, sub-contractors and suppliers adopt anti-bribery programmes.

In 2013, the International Organisation for Standardization (ISO) decided to develop and publish an international anti-bribery management systems standard. The standard, which will be numbered ISO 37001, is being developed by an ISO Project Committee. The drafting of ISO 37001 is not yet concluded. Delegates from 22 countries are participating in the drafting exercise. The timetable currently anticipates publication of ISO 37001 in mid-2016.

The draft standard takes account of internationally recognised good anti-bribery practice. It will be applicable to small, medium and large organisations in the public, private and voluntary sectors. The bribery risk facing an organisation varies according to factors such as the size of the organisation, the countries and sectors in which the organisation operates, and the nature, scale and complexity of the organisation's operations. Therefore, the draft standard specifies the implementation by the organisation of reasonable and proportionate policies, procedures and controls which are designed to prevent bribery taking place by, on behalf of, or against the organisation, and to detect and deal appropriately with any bribery which does take place. These measures are likely to include standard international good practice anti-corruption requirements such as adopting an anti-bribery policy; appointing a compliance manager who is responsible for ensuring anti-bribery compliance; providing training and/or guidance to employees; undertaking periodic bribery risk assessments and appropriate due diligence on projects and on partners, agents, consultants, sub-contractors and suppliers; implementing financial and commercial controls to reduce bribery risk; and implementing confidential reporting and investigation procedures.

If published as a requirements standard, ISO 37001 is likely to be useful to organisations in the following ways:

- It will help provide assurance to the board and shareholders of an organisation that their organisation has implemented best practice anti-bribery controls.

- A project developer or project funder may require the contractors, suppliers and consultants which are constructing a project to provide certification to ISO 37001 as evidence that they have implemented anti-bribery controls in their organisations.

- Organisations may require their major sub-contractors, suppliers and consultants to provide evidence of certification to ISO 37001 as part of their supply chain approval process (on a similar basis to their requiring evidence of certification to ISO 9001 etc.).

The content of ISO 37001 is still being debated by the ISO working group, and it will only get published if 75% of ISO member countries vote in favour at the 2016 vote.

We believe that ISO 37001 if it is published, will materially help reduce the risk of bribery by helping organisations implement anti-bribery controls.   If public sector procurement bodies were to make independently certified compliance with ISO 37001 a pre-condition to obtaining work for major public sector contracts, then this could materially help reduce corruption in public sector contracting.

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