ISO 37001:2016
ANTI-BRIbery MANAGEMENT SYSTEM (ABMS)

An initiative to strengthen the Corporate Integrity

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FAUZIAH SULAIMAN
MANAGEMENT SYSTEM CERTIFICATION DEPARTMENT
SIRIM QAS INTERNATIONAL SDN BHD
OUTLINE

1. ISO 37001 Requirements
2. Implementation Journey
3. Challenges & Benefits
4. The certification process
REQUIREMENTS

ISO 37001:2016
ISO 37001:2016 ANTI-BRIBERY MANAGEMENT SYSTEMS
REQUIREMENTS
WITH GUIDANCE FOR USE
**REQUIREMENTS**

**4 Context of Organization**
- 4.1 Understanding context
- 4.2 Stakeholders
- 4.3 Scope ABMS
- 4.4 ABMS
- 4.5 Bribery Risk Assessment

**5 Leadership**
- 5.1 Leadership & commitment – Governing Body, Top Mgmt.
- 5.2 ABMS Policy (a-i)
- 5.3 Organizational roles, responsibilities and authorities-Anti-Bribery Compliance Function

**6 Planning**
- 6.1 Actions to address risks and opportunities
- 6.2 ABMS objectives and planning

**7 Support**
- 7.1 Resources
- 7.2 Competence
- 7.2.2 Employment Process
- 7.3 Awareness & training
- 7.4 Communication
- 7.5 Documented Information

**8 Operation**
- 8.1 Operational Planning & Control
- 8.2 Due Diligence
- 8.3 Financial Control
- 8.4 Non Financial Control
- 8.5 By Controlled organization & by business associate
- 8.6 Anti-Bribery Commitment
- 8.7 Gift, hospitality, donation
- 8.8 Managing inadequate control
- 8.9 Raising Concern
- 8.10 Investigating & dealing

**9 Performance & Evaluation**
- 9.1 Monitoring, measurement, analysis & evaluation
- 9.2 Internal Audit
- 9.3 Management review – Top Mgmt. Review, Governing Body
- 9.4 Anti-Bribery Compliance Function

**10 Improvement**
- 10.1 Nonconformity & corrective action
- 10.3 Continual improvement

Guidance
Annex A – A.1 till A. 22
ISO 31000 (Risk)
ISO 19600 (Compliance Management)
CLAUSE 4 : CONTEXT OF THE ORGANIZATION

4  Context of the organization

4.1 Understanding the organization and its context

4.2 Understanding the needs and expectation of stakeholders

4.3 Determining the scope of the anti-bribery management system

4.4 Anti-bribery management system

4.5 Bribery risk assessment
4.1 Understanding the organization and its context

The organization shall determine external & internal issues that are relevant to its purpose and that affect its ability to achieve the objectives of its anti-bribery management system.
4.1 Understanding the organization and its context
The issues will include (without limitation)

➢ Size, structure and delegation decision-making authority of the organization

➢ Locations and sectors in which the organization operates or anticipates operating

➢ Nature, scale and complexity of the organization’s activities and operations

➢ Organization’s business model
4.1 Understanding the organization and its context
The issues will include (without limitation)

➢ The entities over which the organization has control and entities which exercise control over the organization

➢ The organization’s business associates

➢ The nature and extend of interaction which public officials

➢ Applicable statutory, regulatory, contractual and Professional obligations and duties
SUMMARY ~ CLAUSE 4 : CONTEXT OF ORGANISATION

• Understand the organization (Refer A.13.1.3)
• Determine the scope of ABMS (Refer A.2)
• Conduct bribery risk assessment (Refer A.4)

➢ ISO 31000:2009 Risk Management – Principles and guidelines
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Principles (Clause 3)

a. Creates value
b. Integral part of organizational processes
c. Part of decision making
d. Explicitly addresses uncertainty
e. Systematic, structured and timely
f. Based on the best available information
g. Tailored
h. Takes human and cultural factors into account
i. Transparent and inclusive
j. Dynamic, iterative and responsible to change
k. Facilities continual improvement and enhancement of the organization

Framework (Clause 4)

M mandate and commitment (4.2)
Design of framework for managing risk (4.3)
Continual improvement of the framework (4.5)
Implementing risk management (4.4)
Monitoring and review of the framework (4.5)

Process (Clause 5)

Establishing the context
Risk Assessment
Risk Identification
Risk Analysis
Risk Evaluation
Risk Treatment

Monitoring and review
Communication & Consultation

- Establishing the context (5.4)
- Risk Assessment (6.4)
  - Risk Identification (6.4.2)
  - Risk Analysis (6.4.3)
  - Risk Evaluation (6.4.4)
- Risk Treatment (6.5)

Legend:
- ISO 31000 clause
- ISO 9001/37001 clause

- Communication & Consultation (6.2)
- Monitoring and review (5.6)
HIGH RISK AREAS:

✓ Procurement
✓ Development Projects
✓ Research activities
✓ Investment
✓ Revenue Collection
✓ Asset/Store Management
✓ Subsidies Management
✓ Human Resource
✓ Business Associates
CLAUSE 5 : LEADERSHIP

5  Leadership

5.1  Leadership and commitment
     5.1.1 Governing body
     5.1.2 Top management

5.2  Anti-bribery policy ( a-i)

5.3  Organizational roles, responsibilities and authorities
     5.3.1 Roles and responsibilities
     5.3.2 Anti-bribery compliance function
     5.3.3 Delegated decision-making
5.1.1 a, b, c & d
GOVERNING BODY

Governing Body

Top Management
POLICIES AND GUIDELINES

• CODE OF CONDUCT & BUSINESS ETHIC
• DISCIPLINARY POLICY
• GIFT /NO GIFT POLICY
• WHISTLE-BLOWING POLICY
• CHARITABLE CONTRIBUTIONS/ SPONSORSHIP/DONATION POLICY
• FACILITATION PAYMENTS
• HOSPITALITY/ENTERTAINMENT EXPENSES
• CONFLICTS OF INTEREST
  and many others  internal /external REFERAL POLICIES

• DO WE NEED A STATEMENT OF POLICY???
SUMMARY ~ CLAUSE 5: LEADERSHIP

• Governing Body
• Top management (Refer A.5)
• Anti-bribery Compliance Function (Refer A.6) – guidance ISO 19600
• Anti-bribery Policy (a-i)
CLAUSE 6 : PLANNING

6  Planning

6.1  Action to address risks and opportunities

6.2  Anti-bribery objectives and planning to achieve them

• Taking action from the risk assessment to achieve anti-bribery objectives
CLAUSE 7: SUPPORT

7 Support

7.1 Resources (Refer A.7: Human, Physical, Financial)

7.2 Competence
   7.2.1 General
   7.2.2 Employment process (Refer A.8)

7.3 Awareness and training (Refer A.9)

7.4 Communication
7.2.2 EMPLOYMENT PROCESS

7 Support

7.2 Competence

7.2.2 Employment Process

7.2.2.1 In relation to all of its personnel, the organization shall implement procedures such that:

a) Conditions of employment require personnel to comply with the anti-bribery policy and anti-bribery management system, and give the organization the right to discipline in the event of non-compliance.

b) Within a reasonable period of their employment commencing, personnel receive a copy of, or are provided with access to, the anti-bribery policy and training in relation to that policy;

c) The organization has procedures which enable it to take appropriate disciplinary action against personnel who violate the anti-bribery policy and anti-bribery management system;

d) Personnel will not suffer retaliation, discrimination or disciplinary action (e.g. threats, isolation, demotion, preventing advancement, transfer, dismissal, bullying, victimization, or other forms of harassment) for

1) refusing to participate in, or turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery that has not been mitigated by the organization; or

2) concerns raised or reports made in good faith, or on the basis of a reasonable belief, of attempted, actual or suspected bribery or violation of the anti-bribery policy or the anti-bribery management system (except where the individual participated in the violation)
7.2.2.1 IN RELATION TO ALL OF ITS PERSONNEL, THE ORGANIZATION SHALL IMPLEMENT PROCEDURES SUCH THAT:

a) conditions of employment require personnel to comply with the anti-bribery policy and anti-bribery management system, and give the organization the right to discipline personnel in the event of non-compliance

Organization should have Anti-bribery Policy (refer to 5.2 Anti-bribery Policy and 4.4 Anti-bribery management system). Organization must provide sufficient awareness / training to all employees

b) within a reasonable period of their employment commencing, personnel receive a copy of, or are provided with access to, the anti-bribery policy and training in relation to that policy;

Integrity pledge signed by CEO/GM/Mayor/YDP to show Top Management commitment. All employees sign Integrity Pledge. Evidence: Employees attendance list during the awareness / training. The pledge signed by employees. Publish in website, intranet internal circulation (memo or email)
c) the organization has procedures which enable it to take appropriate disciplinary action against personnel who violate the anti-bribery policy and anti-bribery management system;

d) personnel will not suffer retaliation, discrimination, or disciplinary action (e.g. by threats, isolation, demotion, preventing advancement, transfer, dismissal, bullying, victimization, or other forms of harassment) for

1) refusing to participate in, or turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery that has not been mitigated by the organization; or

2) concerns raised or reports made in good faith, or on the basis of a reasonable belief, of attempted, actual or suspected bribery or violation of the anti-bribery policy or the anti-bribery management system (except where the individual participated in the violation).

Organization should have sufficient Procedures to address ie Procedure related to Jawatankuasa Tatatertib or refer to General Order or SOP on Domestic Inquiry etc

Whistle Blowing Policy
7.2.2 EMPLOYMENT PROCESS

7 Support

7.2 Competence

7.2.2 Employment Process

7.2.2.2 In relation to all positions which are exposed to more than a low bribery risk, as determined in the bribery risk assessment (see 4.5), and to the anti-bribery compliance function, the organization shall implement procedure which provide that:

a) Due diligence (see 8.2) is conducted on persons before they are employed, and on personnel before they transferred or promoted by the organization, to ascertain as far as is reasonable that it is appropriate to employ them and that it is reasonable to believe that they will comply with the anti-bribery policy and anti-bribery management system requirements;

b) Performance bonuses, performance targets and other incentivizing elements of remuneration are reviewed periodically to verify that there are reasonable safeguards in place to prevent them from encouraging bribery;

c) Such personnel, top management, and the governing body (if any), file a declaration at reasonable intervals proportionate with the identifies bribery risk, confirming their compliance with the anti-bribery policy.

NOTE 1 The anti-bribery compliance declaration can stand alone or be a component of a broader compliance declaration process.

NOTE 2 See Clause A.8 for guidance.
CLAUSE 7 : SUPPORT

7 Support

7.5 Documented information (Refer A.17)
   7.5.1 General
   7.5.2 Creating and updating
   7.5.3 Control of documented information
CLAUSE 8 : OPERATION

8 Operation

8.1 Operational planning and control

8.2 Due diligence

8.3 Financial Control

8.4 Non-financial control
CLAUSE 8 : OPERATION

8 Operation

8.5 Implementation of anti-bribery controls by controlled organizations and by business associates

8.6 Anti-bribery commitments

3.26 Business Associates:
External party with whom the organization (3.2) has, or plans to establish, some form of business relationships.

Business associates includes but not limited to clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors.
CLAUSE 8 : OPERATION

8 Operation

8.7 Gifts, hospitality, donations and similar benefits

8.8 Managing inadequacy of anti-bribery controls

8.9 Raising concerns

8.10 Investigating and dealing with bribery
SUMMARY ~CLAUSE 8 : OPERATION

• Control of operations to reduce bribery risks (gifts, hospitality, donations policy/procedures) (Refer A.15)
• Due diligence required for operations that is above low bribery risk (Refer A.10)
• Financial (Refer A.11) & Non-Financial Control (Refer A.12)
• Control of business associates to reduce bribery risks to the organization (Refer A.13 & Refer A.14)
• Managing concerns relating to bribery (reporting, investigating, protect those making report) (Refer A.18)
• Managing non-compliance of controls
CLAUSE 9 : PERFORMANCE EVALUATION

9  Performance evaluation

9.1  Monitoring, measurement, analysis and evaluation

9.2  Internal audit

9.3  Management review
   9.3.1 Top management review
   9.3.2 Governing body review

9.4  Review by anti-bribery compliance function
SUMMARY ~ CLAUSE 9 : PERFORMANCE EVALUATION

- Monitoring and evaluate anti-bribery performance
  (Refer A.19)
- Internal Audit (Refer A.16)
- Review by Anti-bribery compliance function
- Review by Top Management
- Review by Governing Body
CLAUSE 10 : IMPROVEMENT

10 Improvement

10.1 Nonconformity and corrective action

10.2 Continual improvement

• Responding to non-conformities (React, Evaluate, Implement and Review Action)
• Refer A.20
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A.6 Anti-bribery compliance function

A.7 Resources

A.8 Employment procedure
   A.8.1 Due diligence on personnel
   A.8.2 Performance bonuses
   A.8.3 Conflicts of interest
   A.8.4 Bribery to the organization’s personnel
   A.8.5 Temporary staff or workers

A.9 Awareness and training
A.10 Due diligence

A.11 Financial controls

A.12 Non-financial controls

A.13 Implementation of the anti-bribery management system by controlled organizations and by business associates
   A.13.1 General
   A.13.2 Controlled organizations
   A.13.3 Non-controlled business associates
ISO 37001 – Annex A

A.14  Anti-bribery commitments
A.15  Gifts, hospitality, donations and similar benefits
A.16  Internal audit
A.17  Documented information
A.18  Investigating and dealing with bribery
A.19  Monitoring
A.20 Planning and implementing changes to the anti-bribery management system

A.21 Public officials

A.22 Anti-bribery initiatives
Implementation Journey
1. Governing Body & Top Management Commitment / Approval
2. Form a Taskforce
3. Identify the Gaps Based on Standard Requirements
4. Conduct Risk Assessment
5. Establish the Relevant Documented Information
6. Conduct Internal Audit Team
7. Conduct Management Review
8. Certification Audit (Stage 1 & Stage 2)
9. THE JOURNEY

ANTIBRIBERY
SIRIM
CERTIFIED TO ISO 37001:YYYY
CERT. NO.: XXXXXX
Challenges & Benefits
CHALLENGES

• To get appointment to interview the members of the Board
• Lack of understanding of ABMS by the governing body and top management
• Scope of certification is minimal (activities covered by the ABMS is limited).
• Unfamiliar with bribery risk assessment (identify, analysis and evaluate bribery risks).
• Unable to access initial investigation records on bribery complaints/incidences.
CHALLENGES - ORGANIZATION

• System too dependent on Integrity Department / Integrity Officer
• Getting the buy-in from all levels of the organizations.
• Lack of budget and resources allocated to implement and maintain the system.
BENEFITS

• Establish a culture of integrity, transparency, openness and compliance.
• Assist organization to avoid or mitigate the costs, risks and damage due to bribery
• Promote trust and confidence in business
• Enhance reputation and improve employee morale
• Reduce cost of operation
• Have better financial standing
• Competitive advantage at national & international markets
• Comply to acts/regulations/code of practice related to integrity/corruption
• Create awareness to the public that the organization is implementing anti-bribery practices
• Encourage and enable persons (personnel and public) to report any attempted, suspected and actual bribery incidences. The persons are protected.
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- YouTube: https://www.youtube.com/SIRIMQASInternational
- LinkedIn: https://www.linkedin.com/SIRIMQASInternational