



ISO 37001:2016 QUESTIONS & ANSWERS

What is ISO 37001?

ISO 37001 is an anti-bribery management system (ABMS) standard for organizations. It specifies various anti-bribery policies and procedures which an organization should implement to assist it prevent bribery, and identify and deal with any bribery which does occur.

Who can use ISO 37001?

ISO 37001 is designed to be used by small, medium and large organizations in the public, private and voluntary sectors. It can be used by such a wide range of organizations because the standard is designed to be a flexible tool, which can be adapted according to the size and nature of the organization and the bribery risk it faces.

What are the potential consequences if an organization gets involved in bribery?

From an organization's perspective, there are many potential adverse consequences if it gets involved in bribery, and which therefore justify the organization taking adequate steps to prevent bribery in relation to the organization's activities.

1. **Ethical factors:** From an international and national perspective, bribery is now widely regarded as unethical and unacceptable. It is one of the greatest obstacles to good government and the development of safe and adequate infrastructure. Ethical organizations which are unwilling to bribe lose work to unethical organizations, which is unfair on ethical organizations, and may provide lower quality and higher cost solutions.
2. **Legal risk:** The international and national legal environment is rapidly changing, reflecting the increasing desire of people worldwide to prevent bribery.
 - Many international treaties have been signed during the last 20 years requiring member states to implement anti-bribery laws and procedures.
 - Most countries have changed their laws in accordance with treaty requirements. Bribery and other corruption offences are therefore crimes worldwide. A person or organization may be liable for bribery both in the country where the bribery took place, and in the person or organization's home country.
 - Individuals and organizations can be held liable for bribery under both criminal law and civil law.
 - Criminal laws can result in fines and imprisonment for individuals, and fines and debarment for organizations. It may be a defense or mitigate liability in some cases for the organization to show that it had implemented effective controls designed to prevent the relevant act of bribery.
 - Civil laws can result in contracts being terminated in the event of bribery, and individuals and organizations being required to pay compensation to parties affected by the bribery.
3. **Safety and quality risk:** From an organization's perspective, bribery can adversely impact on its safety and quality management. A bribe paid by the organization's sub-contractor to the organization's site supervisor to overlook poor safety management on site can result in death or personal injury. A bribe paid by a supplier to the organization's procurement



manager can result in the organization buying poor quality products which need repair or replacing. Therefore, effective safety and quality management also requires effective anti-bribery controls.

4. **Financial risk:** Involvement in bribery can result in financial risk to the organization:
 - Fines levied by prosecutors or regulators.
 - Compensation paid to other parties affected by the bribery.
 - The internal management costs and external legal costs of investigating and dealing with the bribery and any consequent legal actions.
 - The costs of dealing with claims for death or personal injury resulting from bribery.
 - The costs of purchasing products which are over-expensive due to bribery, or of rectifying defective products.
5. **Reputational risk:** Involvement in bribery can result in reputational risk for an organization and its employees. Customers may be unwilling to do business with an organization implicated in bribery. Ethical employees may be unwilling to work for an organization which is believed to be unethical.

How can ISO 37001 benefit an organization?

It is normally far cheaper and less disruptive for an organization to implement controls to prevent bribery from occurring than to deal with the consequences if bribery does occur. ISO 37001 can benefit an organization in the following ways.

1. An ISO 37001 compliant ABMS can help prevent bribery occurring, and can significantly reduce its impact if it does occur.
2. It helps provide assurance to the management and owners of an organization that their organization has implemented internationally recognised good practice anti-bribery controls, and is therefore taking steps to reduce risk and any adverse consequences.
3. It helps the organization provide assurance to its customers, business associates and personnel that it has implemented internationally recognised good practice anti-bribery controls, and therefore assists the organization in obtaining work, recruiting good personnel and enhancing its reputation.
4. In the event of a bribery investigation which involves the organization, it helps provide evidence to the prosecutors or courts that the organization had taken reasonable steps to prevent bribery. It can therefore help avoid a prosecution, or mitigate the outcome.
5. It increase the ethical image of the organization

Will ISO 37001 impose an unnecessarily heavy bureaucracy on an organization?

ISO 37001 should not impose an unnecessarily heavy bureaucracy on an organization. The standard specifically states that the required anti-bribery policies and procedures should be implemented in a manner which is reasonable and proportionate to a number of relevant factors, such as the size and structure of the organization, the locations and sectors in which the organization operates, the nature, scale and complexity of the organization's activities, and the bribery risk which the organization faces.



Does ISO 37001 address all types of corruption?

No. ISO 37001 only addresses bribery, and does not address fraud, cartels, money-laundering or other criminal activities (although an organization may choose to extend the scope of its compliance management system to include such activities).

Can a third party certify the organization's compliance with ISO 37001?

An organization's compliance with ISO 37001 can be certified by an independent third party.

This provides additional assurance that the organization is compliant.

The risk of corrupt or negligent certification is reduced by the use of major, well known, accredited national or international certifiers.

There is no obligation on an organization to obtain independent certification to ISO 37001. An organization may simply ensure that its procedures are compliant with the standard. However, independent certification adds an extra level of independent assurance.

What is the cost of implementing ISO 37001?

Some organizations will already have implemented an anti-bribery programme, which is compliant with international good practice, and in this case may not need to incur any additional expenditure. Other organizations may need only to implement some limited enhancements. At the other end of the spectrum, some organizations may have no controls, and may therefore need to incur the time and expense to put an effective control environment in place.

The actual cost will depend on many factors such as the size of the organization, the complexity of its structure and operations, where it does business, the number of interactions it has with other organizations etc.

If the organization chooses to get its programme independently certified, then there will also be the cost of certification. This cost is also likely to vary according to the size and structure of the organization.

The cost of implementing the anti-bribery programme and obtaining certification is also likely to be minimal when compared to the loss and damage which could be suffered by an organization which gets involved in bribery. Having such a system can help prevent this loss and damage, and therefore save money.

Can implementing an ISO 37001 compliant ABMS provide assurance that no bribery will take place?

No, it is not possible to completely eliminate the risk of bribery. However, implementing an ISO 37001 compliant ABMS can help assure an organization that it has implemented reasonable and proportionate measures designed to prevent, detect and deal with bribery, and so minimise the risk of bribery and its consequences.



Is ISO 37001 just a tick box exercise?

No. An organization cannot achieve compliance with ISO 37001 just by ticking boxes.
It requires:

The genuine commitment of the organization's top management to make the system work.

The planning and design of policies and procedures intended to prevent bribery.

The effective implementation of these policies and procedures.

Monitoring and review of the effectiveness of these policies and procedures.

Continual improvement of the policies and procedures to ensure their effectiveness.