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SPARK COMPLIANCE  
CONSULTING


# ISO 37001 Certification:

## What it Means, How it Works, Why it Helps



The world's first international anti-bribery program certification is finally here. The International Organization for Standardization ("ISO") recently published the first certifiable international anti-bribery standard, ISO 37001 – Anti-Bribery Management Systems (the "Standard"). The Standard heralds a new era in the fight against corruption and the implementation of world-class anti-bribery programs across industries, countries, and geographic regions.

## ISO 37001, A Global Standard, at a Glance



**Drafted by anti-bribery experts from over 56 countries**

**Defines bribery in broad context, including bribery as defined under the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010.**

**Levels the playing field for organizations globally**

**Provides a business-friendly model as opposed to an agency enforcement approach**

**Takes into account anti-bribery and anti-corruption laws in every country**

**Provides a cross-cultural approach to the cross-culture problem of corruption**

**Designed to strengthen the global fight against bribery**

**Offers clear and specific operational guidance**

**Sets clear expectations for third party business associates**

**Increases efficiency and reduces risk**

**Designed to be applied to any type of organization**

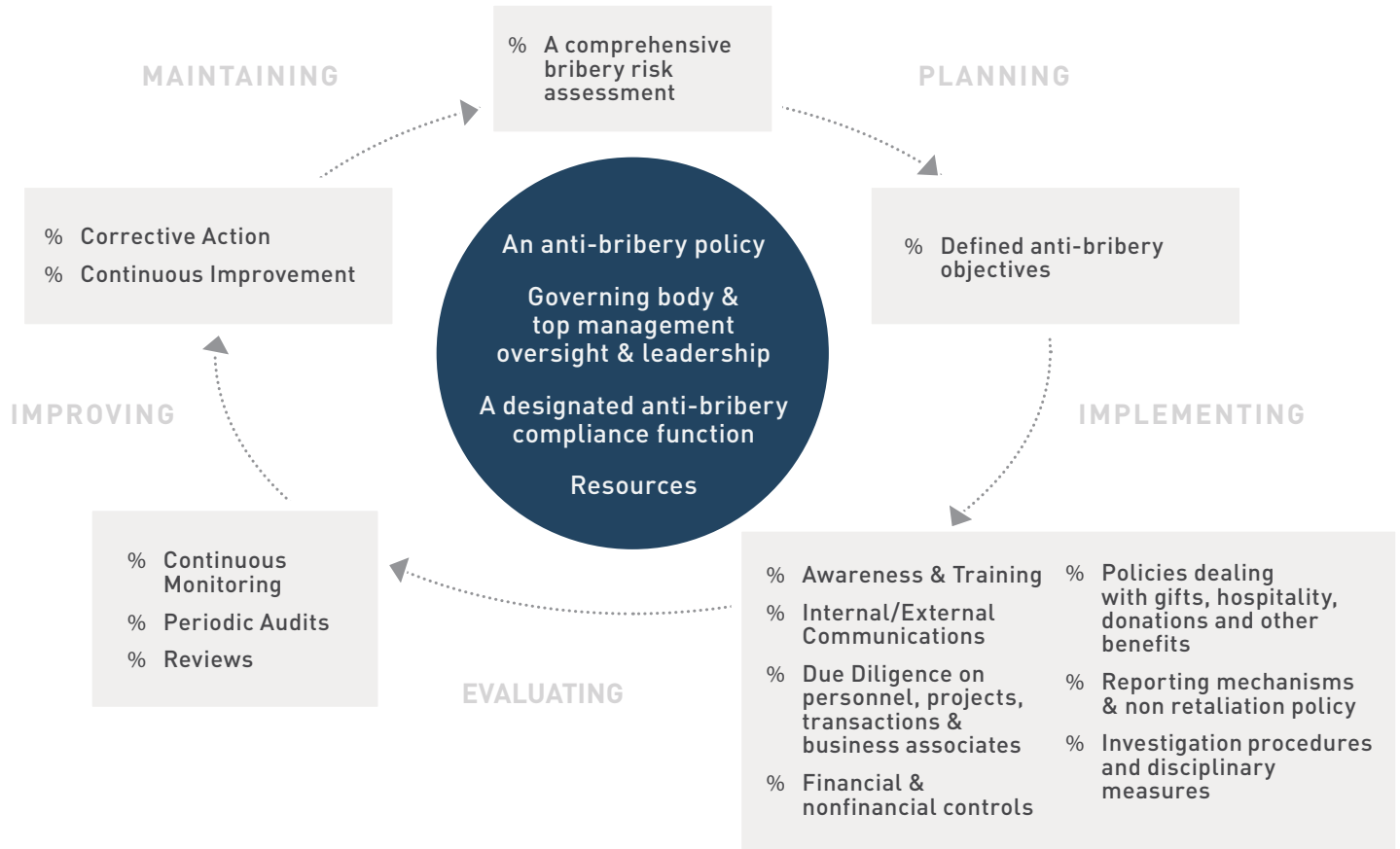
**Emphasizes a reasonable and proportionate program that does not hinder business operations**

## BEST PRACTICES EMBEDDED IN THE ORGANIZATION

The Standard sets forth requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an organization's anti-bribery program – referred to as "management system." The requirements of the Standard are meant to be applied in a "reasonable and proportionate" manner based on the organization's unique risks. These requirements consist of recognized best practices and, taken together, create a management system that provides organizations with a robust anti-bribery program embedded in support and operations throughout the organization.

# ADDRESSING BRIBERY IN A BROAD CONTEXT

## ISO 37001's Key Requirements & How They Work



## TOP TEN ISO 37001 CERTIFICATION BENEFITS

- 1** Meets recognized global best practices
- 2** Provides maximum reduction of your organization's specific bribery risks and serves as a strong mitigating factor in the event of a government inquiry or investigation
- 3** Strengthens and streamlines due diligence procedures, greatly mitigating third-party risk
- 4** Ensures adequate resources for the anti-bribery program
- 5** Meets the Federal Sentencing Guidelines, U.K. Ministry of Justice Guidelines, and other guidelines for the elements of an effective program
- 6** Engages management and other departments in compliance initiatives
- 7** Provides your organization with a competitive edge in the marketplace, including procuring government contracts
- 8** Greatly reduces high costs, penalties, lost opportunities and reputational damage associated with bribery
- 9** Advances uniformity in anti-bribery norms and best practices on an international level
- 10** Provides an objective yardstick for your organization to measure its program, as well as the programs of partners throughout its supply chain

## Industry Leaders Seeking ISO 37001 Certification

In May 2017 Wal-Mart's Executive Vice President and Global Chief Ethics and Compliance Officer announced to Thomson Reuters Financial and Risk Summit that Wal-Mart intends to obtain ISO 37001 certification.

In May 2017, David Howard, Microsoft's Corporate Vice President & Deputy General Counsel, announced plans to obtain ISO 37001 certification on Microsoft's blog: "We're a global company with more than 120,000 employees in more than 190 countries. After being closely involved in the development of ISO 37001, Microsoft will seek certification from an independent and accredited third party to demonstrate that our anti-bribery program satisfies the requirements of the standard. We hope other companies will do the same. A common consistent and rigorous standard for anti-bribery will cut across countries, industries and all segments of the value chain."

In August 2017, CPA Global, the world's leading intellectual property management and technology company with operations on six continents, became one of the first companies to obtain ISO 37001 certification.

## Governments Adopt ISO 37001 as a Voluntary National Standard

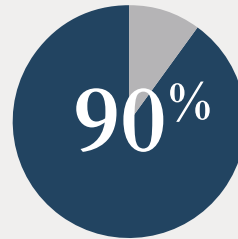
On April 4, 2017 the Peruvian government issued a translation of ISO 37001 as a voluntary preventive model for Peruvian companies.

April 12, 2017, Singapore's Ministry of Trade and Industry, through its agency SPRING Singapore, adopted the ISO 37001 standard in order to enable Singapore companies to adopt an international approach to their anti-bribery and compliance programs. SPRING Singapore is working with Singapore's Corrupt Practices Investigation Bureau (CPIB) to launch the Standard.

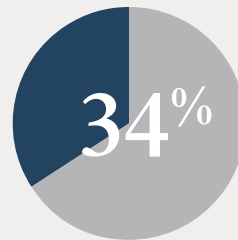
Both Peru and Singapore's adoption of the ISO 37001 will lead the way for other countries to adopt the Standard.

## WHO'S READY FOR ISO 37001 CERTIFICATION?

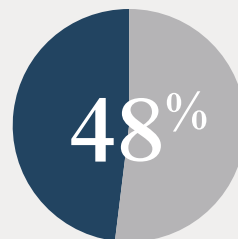
**A RECENT SURVEY OF COMPLIANCE OFFICERS CREATED BY COMPLIANCE WEEK AND STEELE FOUND THAT:**



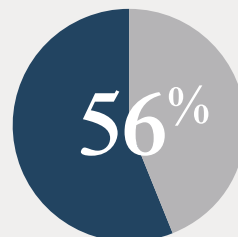
believe companies will adopt more compliance measures and continue to modify existing compliance programs



indicated they are fully in compliance with ISO 37001's provisions



require changes to their program in order to meet the ISO standard



are likely to seek certification

# Entities Involved in the ISO 37001 Certification Process

**CONSULTANTS:** Experts in anti-bribery, ISO management systems, and ISO 37001 who works with your organization to ensure that your anti-bribery program meets all the requirements of the standard. Consultants work closely with your organization as strategic partners throughout the process.

## LOOK FOR:

Experience guiding companies through the ISO 37001 process is crucial.

### Expertise in:

- Anti-bribery and anti-corruption
- ISO management systems
- ISO 37001 specifically

### Can provide specific in-depth answers on:

- ISO 37001 requirements
- The certification audit process
- The certification life-cycle

### Ability to:

- Apply ISO 37001 requirements to your business in a reasonable and proportionate manner
- Act as an advocate during the certification audit process
- Be on-site as needed

**AUDITORS:** Experts in anti-bribery, management systems, and ISO 37001 who conduct the audit in an impartial and objective manner to determine whether your anti-bribery program meets the requirements of the standard. Auditors submit their report, with findings and recommendations, to the independent certification body.

**INDEPENDENT CERTIFICATION BODY:** An independent body that awards your organization ISO 37001 certification after its board of anti-bribery experts reviews the auditor's report to ensure that it is impartial, objective and adheres to the ISO 37001 requirements. Only an independent certification body can award ISO 37001 certification.

## LOOK FOR:

- Recognized expertise in the anti-bribery and anti-corruption field
- Has certified reputable organizations under the ISO 37001
- Uses only anti-bribery experts as ISO 37001 auditors
- Provides ISO 37001 specific training to all auditors
- Ensures its auditors have no conflict of interest with the organization being audited
- Maintains a board of anti-bribery and anti-corruption experts to review ISO 37001 audit reports
- Is seeking accreditation by an ISO member body under ISO 17021-1 and ISO 17021-9

# TOP FIVE FREQUENTLY ASKED QUESTIONS

## 1 I'M INTERESTED IN ISO 37001 CERTIFICATION. WHERE DO I START?

The starting point for any organization considering ISO 37001 is conducting a readiness assessment. This provides you with information as to how close you are to achieving ISO 37001 certification and what steps you will need to take before scheduling the certification audit. Even if your organization decides not to pursue certification, the assessment will help you benchmark your program.

Please note that the readiness assessment is just a tool in preparing for the certification audit and what requirements an organization has or has not met at the time of the readiness assessment has no bearing on the certification audit.

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## 2 HOW LONG DOES IT TAKE?

The time it takes to achieve ISO 37001 certification varies depending on the size and structure of an organization, how close it is to meeting ISO 37001 requirements, and the resources an organization chooses to put toward preparing for certification. Conducting a readiness assessment will provide your organization with a realistic time-frame. Most organizations take three to six months from start to finish.

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## 3 HOW MUCH DOES IT COST?

The cost will vary depending on the size and structure of your organization and what resources you put into preparing for certification beforehand. Certification bodies and auditors usually charge a fee based on the number of audit days. This cost can range anywhere from \$15,000 to \$100,000 depending on the size and structure of the organization.

## 4 WHAT IS THE AUDIT PROCESS LIKE?

The audit consists of an initial document review and then on-site audits at your office's headquarters and a sampling of regional offices and/or wholly owned subsidiaries. During the on-site audits, which usually last between 1-4 days in each location, the auditor will interview key personnel in functions relevant to the anti-bribery program as a management system, including compliance, top management, risk management, HR, legal, sales, procurement, marketing, and communications. Throughout these interviews, the auditor will ask to see additional documents.

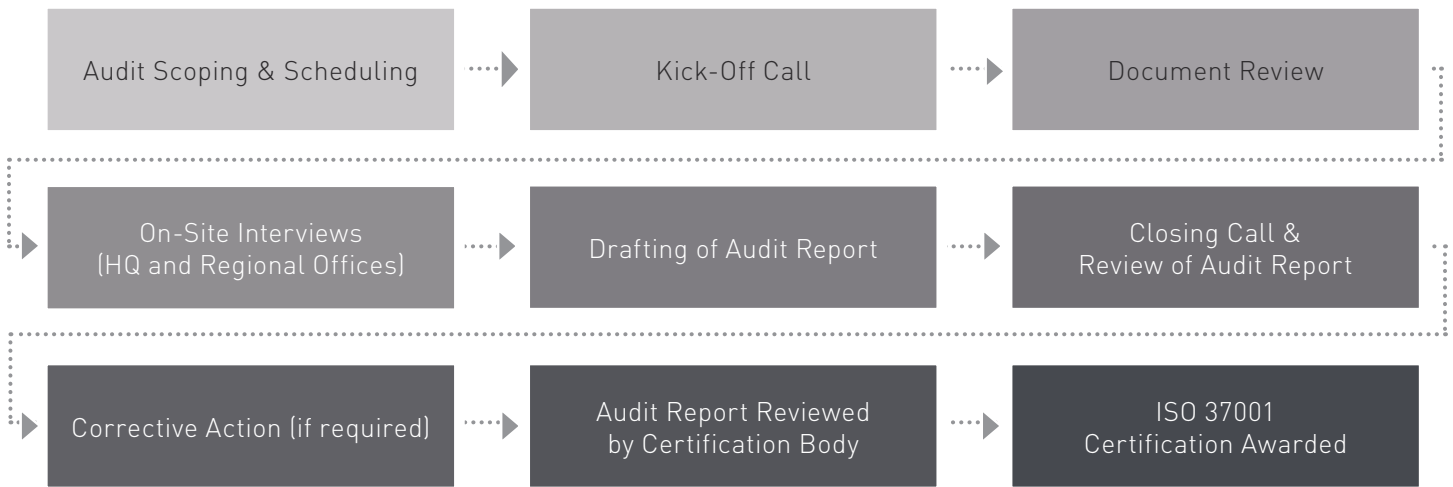
Following the conclusion of the on-site audits, a closing call will be held to review the auditor's findings with the organization. The auditor will then submit his or her audit report to the independent certification body, who will review the report and determine whether to award ISO 37001 certification.

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## 5 MY ANTI-BRIBERY PROGRAM ALREADY MEETS US AND UK GUIDELINES FOR AN EFFECTIVE COMPLIANCE AND ETHICS PROGRAM. ARE WE READY FOR ISO 37001 CERTIFICATION?

You are probably almost ready to become ISO 37001 certified. Although ISO 37001 requirements fulfill all the guidelines for an effective compliance and ethics program under the U.S. Federal Sentencing Guidelines and the UK Ministry of Justice guidelines, ISO 37001 requirements are more numerous, more specific, and require that key processes and controls be integrated into support functions and operations. However, many organizations with best practices programs find themselves ready for certification within a very short period of time.

# What is the process for ISO 37001 certification?



## Sample audit schedule for a large multi-national organization:

### PROPOSED AUDIT TIMELINE

TASK	MONTH 1	MONTH 2	MONTH 3	YEAR 2	YEAR 3
Kick-Off Meeting	REMOTE 2 hours				
Document Review	REMOTE 5 days				
Interviews - HQ and other sites	ON-SITE 10-15 days				
Analysis & Drafting of Audit Report		REMOTE 5 days			
Closing Meeting & Audit Report		REMOTE 2 hours			
Review & Approval by Certification Board			REMOTE 5 days		
Surveillance Audits				ON-SITE 5 days	ON-SITE 4 days

# STEELE COMPLIANCE SOLUTIONS, INC.

Steele is your best source for smarter business decisions, offering an integrated risk management solution that will help you to thoroughly evaluate and mitigate potential risks. With products and services that incorporate industry leading artificial intelligence, training, automation, and human diligence, we partner with our clients to help them to not only understand the world of the people they do business with but to arm employees with the right tools and information to continue to make ethical decisions. At Steele we believe we are smarter together - with the right combination of data, insights, technology and people, we can change the world for the better.

# SPARK COMPLIANCE CONSULTING

Spark Compliance is dedicated to helping clients design, implement and optimize world-class compliance and ethics programs that spark change throughout an organization to drive business success.

In early 2016, Kristy Grant-Hart, a former CCO and the author of *How to Be a Wildly Effective Compliance Officer*, opened Spark's first office in London. Within six months, operations expanded and Spark opened its first U.S. office in Los Angeles. The following year, Spark was shortlisted for Compliance Consulting Firm of the Year by the Women in Compliance Awards. Spark continues to expand its operations and to date our experienced consultants have collectively structured programs and trained personnel in over 40 countries.

With passion for what it does, and dedication to excellence, choosing Spark guarantees a strategic business partner.

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