



ISO 37001:2016

**ANTI-BRIBERY MANAGEMENT
SYSTEM (ABMS)**

***An initiative to strengthen the
Corporate Integrity***

25 MARCH 2019

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OUTLINE



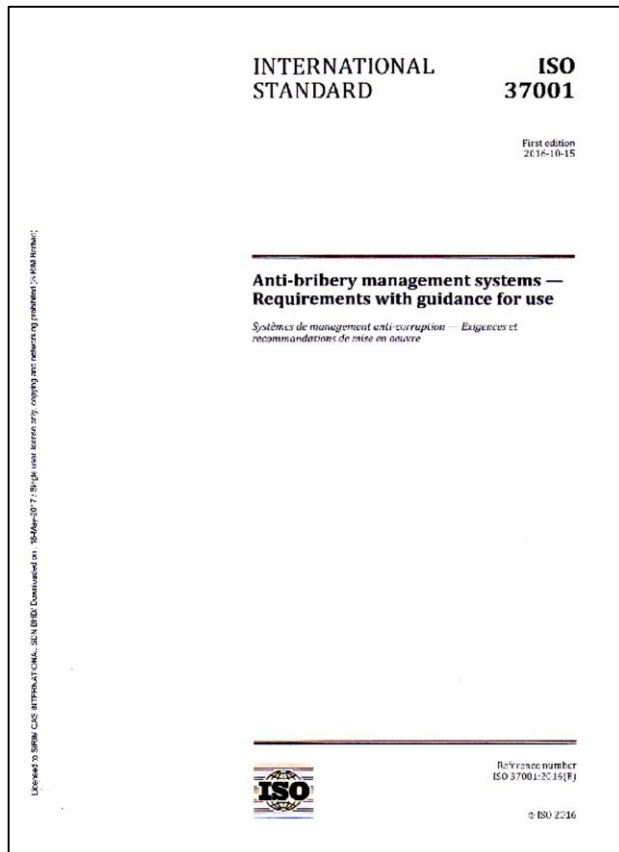
- 1. ISO 37001 Requirements**
- 2. Implementation Journey**
- 3. Challenges & Benefits**
- 4. The certification process**



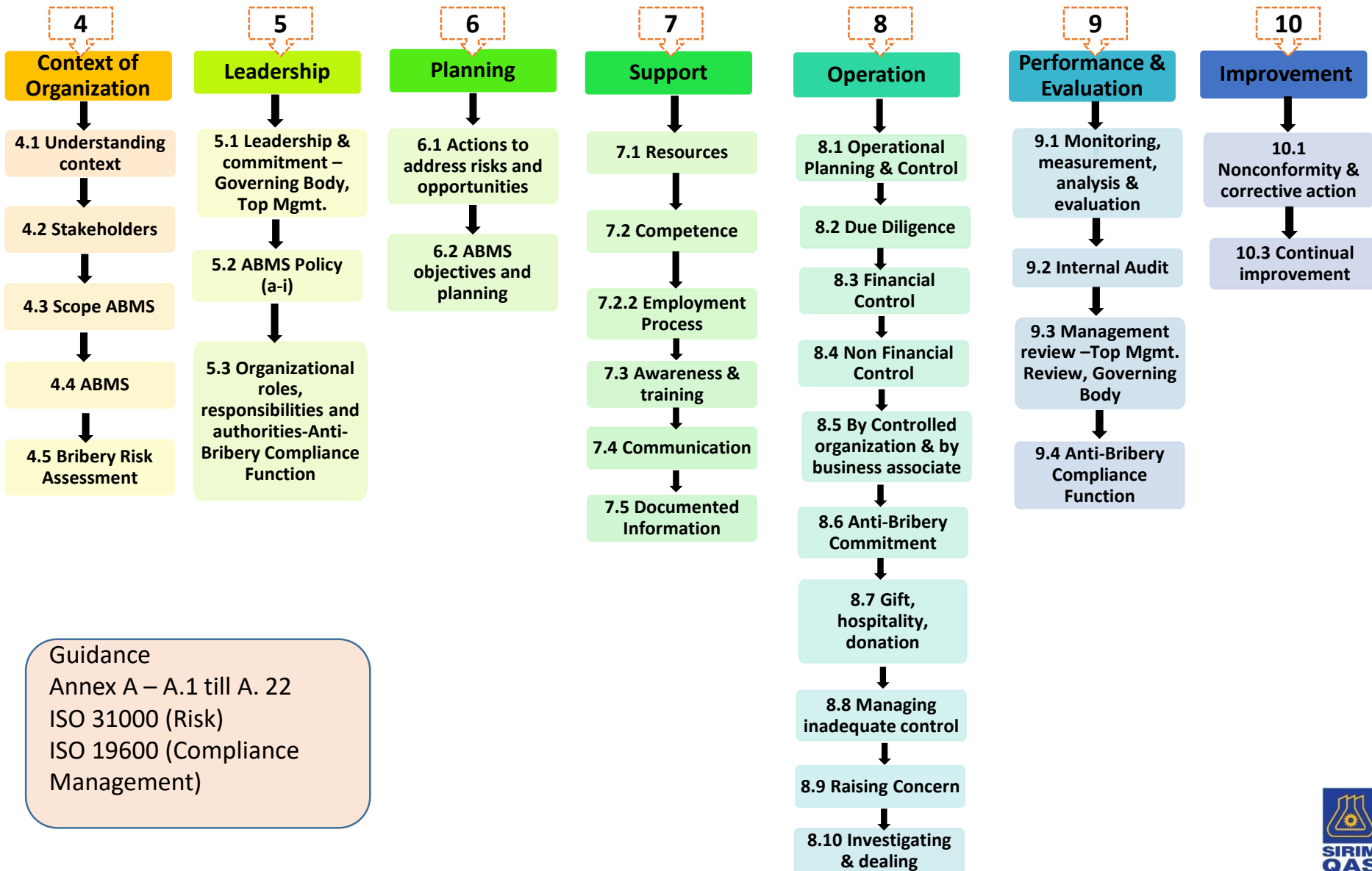
REQUIREMENTS

ISO 37001:2016

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



REQUIREMENTS



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

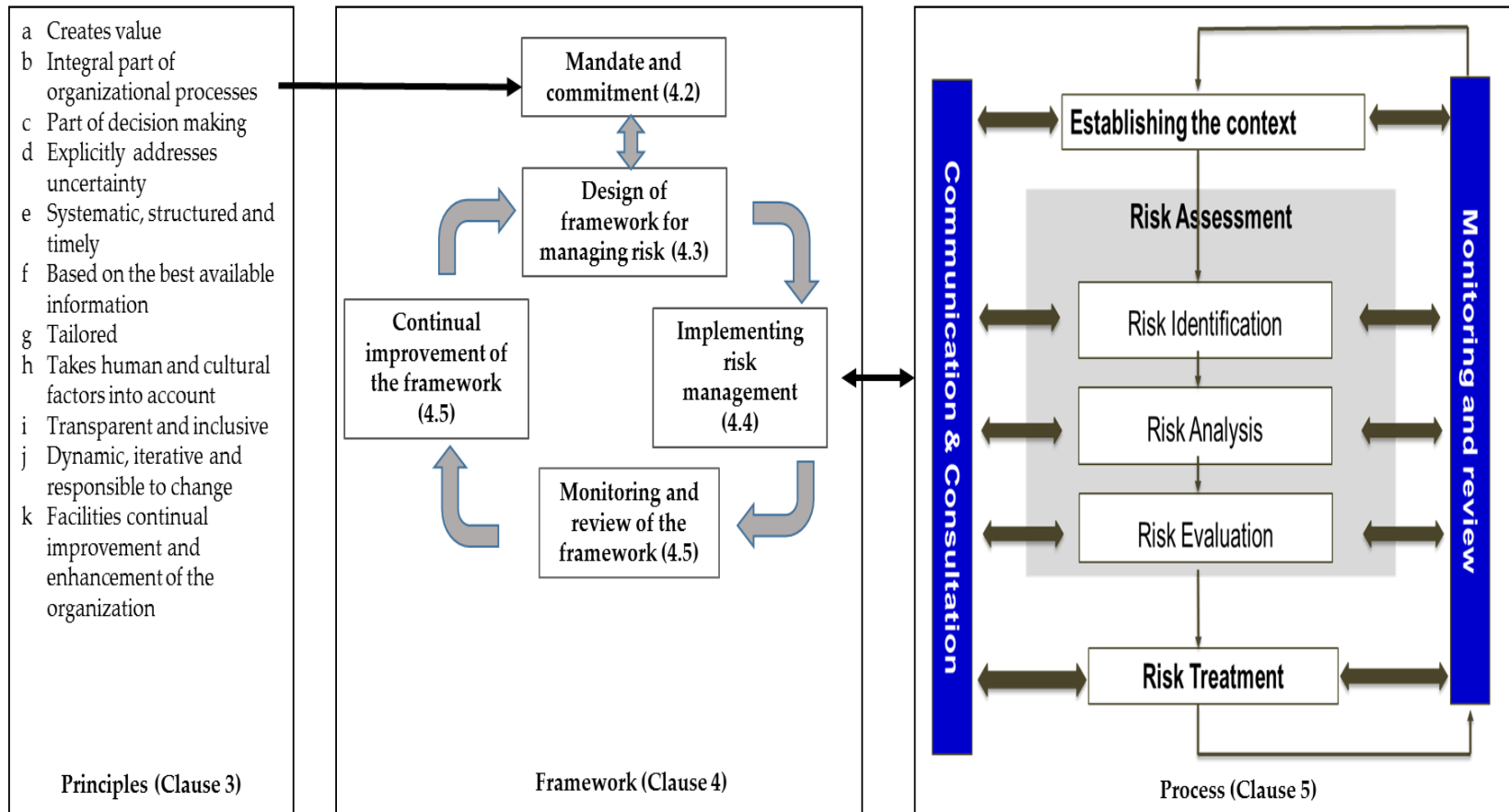
- Understand the organization (Refer A.13.1.3)
- Determine the scope of ABMS (Refer A.2)
- Conduct bribery risk assessment (Refer A.4)
 - ISO 31000:2009 Risk Management – Principles and guidelines
 - ISO/IEC 31010:2009 Risk Management – Risk assessment techniques



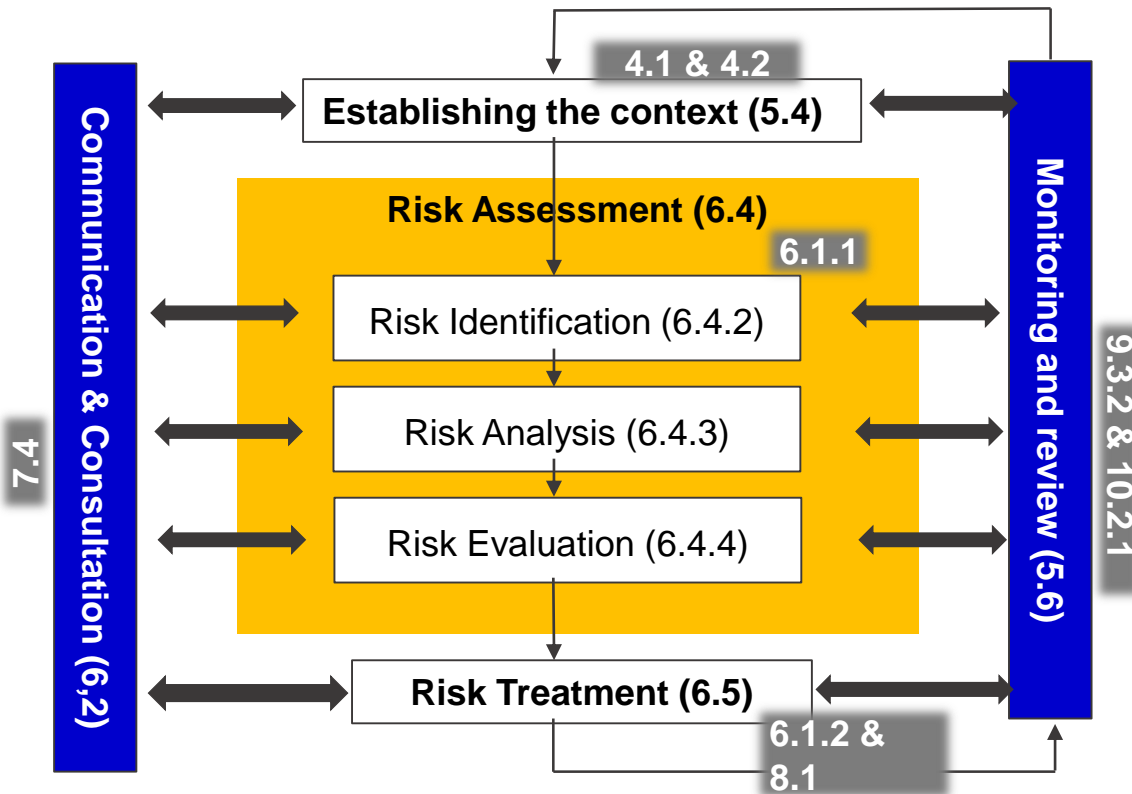
ISO 9001:2015 Vs ISO 31000:2009 & ISO 31000:2018

ISO 9001:2015 / 37001:2016		ISO 31000:2009		ISO 31000:2018	
Clause	Title	Clause	Title	Clause	Title
4.1	Understanding the organization and its context	5.3	Establishing the context	5.4.1 6.3	Understanding the organization & its context scope, context, criteria
4.2	Understanding the needs and expectations of interested parties	5.3	Establishing the context	5.4.1	Understanding the organization & its context scope, context, criteria
6.1	Actions to address risks and opportunities	5.4	Risk assessment	6.4	Risk assessment
7.4	Communication	5.3	Communication and consultation	6.2	Communication and consultation
9.1	Monitoring, measurement, analysis and evaluation	5.6	Monitoring and review	6.6	Monitoring & review
9.3	Management review	5.6	Monitoring and review	6.6	Monitoring & review

Risk Management Principles, Framework & Process ISO 31000:2009



RISK MANAGEMENT PROCESS ISO 31000: 2018 and ISO 9001: 2015/ISO 37001:2016 integration



Legend:

ISO 31000 clause

ISO 9001/37001
clause

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

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

- 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).

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.

***Due diligence through Tapisan Keselamatan (e-vetting) by CGSO
Pekeliling Perkhidmatan Bil 6 Tahun 2011
MANUAL PENGGUNA SISTEM e-VETTING 2.0***

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)
 - Refer ISO 19600:2014 Compliance Management System – Guidelines
- Internal Audit (Refer A.16)
- Review by Anti-bribery compliance function
- Review by Top Management
- Review by Governing Body

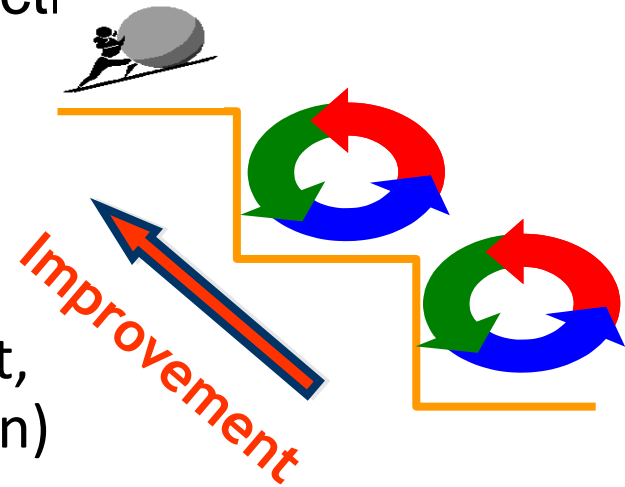
CLAUSE 10 : IMPROVEMENT

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



ISO 37001 – Annex A

- A.1 General
- A.2 Scope of the anti-bribery management system
 - A.2.1 Stand-alone or integrated anti-bribery management system
 - A.2.2 Facilitation and extortion payments
- A.3 Reasonable and proportionate
- A.4 Bribery risk assessment
- A.5 Roles and responsibilities of governing body and top management

ISO 37001 – Annex A

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

ISO 37001 – Annex A

- 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

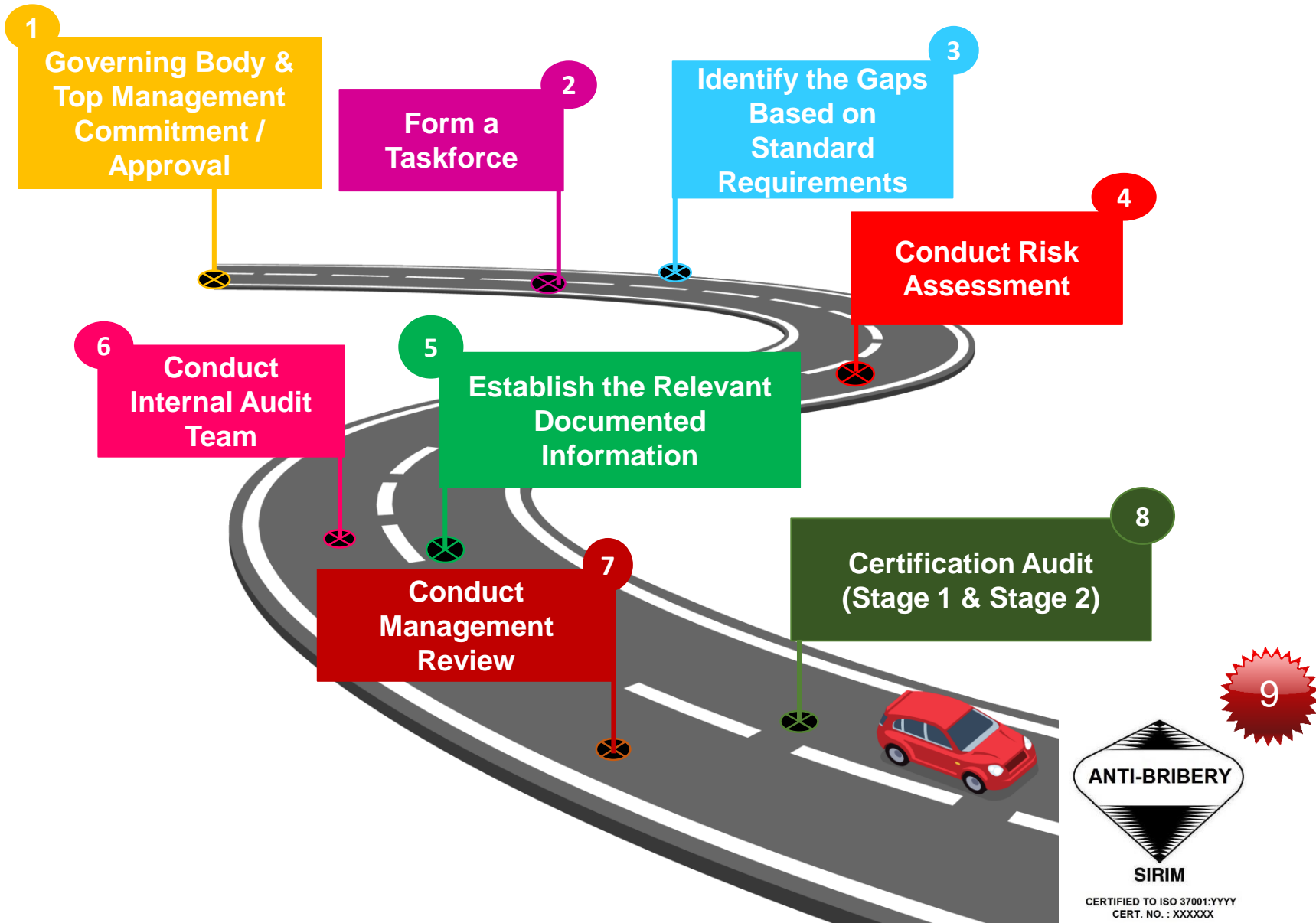
ISO 37001 – Annex A

- A.20 Planning and implementing changes to the anti-bribery management system
- A.21 Public officials
- A.22 Anti-bribery initiatives

Implementation Journey



THE JOURNEY





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.





Thank you

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