

ISO 37001 - A Global Anti Bribery Standard

Anca Cristina Stanciu

“Ovidius” University of Constanta, Faculty of Economic Sciences, Romania
castan22us@yahoo.com

Abstract

ISO certification is a recognition of the fact that an organization meets international standards in its field of activity. The anti-bribery management system, recommended by the ISO 37001/2016 standard, is designed to help organizations in the fight against corruption, and to build a culture of integrity and transparency aimed at reducing the incidence of bribery in organizations. Starting from the premise that a company's commitment to exemplary ethical principles in business is a critical element of any successful organization with an appreciated image, the present paper has purpose of highlighting the role played by the implementation of the anti-bribery standard in the company's strategy, as well as the benefits that are generated by its application. Ethical practices in business through the ISO 37001 certification also involve going through some stages that will be detailed and taking also into account the action of influential factors in gaining the trust of business partners, authorities and clients.

Key words: standard, anti-bribery, certification, strategy

J.E.L. classification: E26, K20, K22, L15, M14

1. Introduction

Currently, bribery remains one of the major problems both nationally and internationally.

The foundation of any business relationship is correct behavior ethically and in full compliance with laws and regulations national and international laws in force. In this context, ISO (International Standard Organization) certification is a recognition of the fact that an organization meets international standards in its field of activity.

The ISO 37001 standard - Anti-corruption management systems - Implementation requirements and recommendations, provides the requirements and guidance for establishing, implementing, maintaining and improving an anti-corruption management system. The system proposed and recommended by this international standard can be independent or integrated into a general management system. The problem dealt with refers to both bribery in the public, private and non-profit sectors, as well as to bribes given by or to an organizational entity including its staff, but also to bribes mediated by third parties. (<https://www.srac.ro/ro/iso-37001-sistem-de-management-anti-mita>).

These aspects presuppose the active involvement of top management in order to create and maintain an anti-bribery culture and a climate conducive to the manifestation of ethics in business, both within the company and in relation to business partners. Involvement, in turn, requires staff awareness and responsibility in relation to facts relating to bribery; allocation of resources to support the requirements of the anti-bribery management system; permanent and documented information through reports on the company's anti-bribery system; permanent monitoring of the anti-bribery management system; zero tolerance for situations likely to put the company in position to violate anti-bribery principles.

(https://renania.ro/documents/POLITICA_ANTI_MITA_RENANIA_ro.pdf)

ISO 37001 is the first international standard that proposes that organizations implement anti-bribery measures and controls to prevent, detect and deal with bribery, regardless of whether such bribery is given by or on behalf of the organization, its employees or partners Business.

The ISO 37001 standard is applicable to any type of organization, both in the public and private sectors, regardless of the size of the organization or the field of activity and certification according to ISO 37001 is confirmation that anti-bribery control measures are implemented.

(https://www.certind.ro/sisteme-de-management_8/managementul-anti-mita-ISO-37001_16)

In fact, ISO 37001 addresses one of the most challenging problems at the international level and proposes a determined approach to eliminate a serious form of corruption.

2. Theoretical background

The ISO 37000 series provides a global level way to tackle a destructive criminal activity that is valued at more than one trillion dollars of dirty money annually. (<https://www.iso.org/iso-37001-anti-bribery-management.html>)

Without a doubt, at the international level, bribery as an aspect of corruption in business is a significant barrier to trade, and at the microeconomic level it has a negative impact both on the image of the company and on employee morale.

According to data published by the World Bank Group, every year approximately \$1.5 trillion in bribes are given by organizations and individuals, with the effect of reducing the quality of life, intensifying poverty and losing confidence in both the public and private sectors. (https://www.certind.ro/sisteme-de-management_8/managementul-anti-mita-ISO-37001_16).

Economic crime, a globally endemic problem, manifests itself in a variety of forms and mechanisms, challenging the integrity and efficiency of economic and financial systems. In this context, the adoption of a robust anti-bribery management system, such as that described in ISO 37001, becomes essential for institutions and states. The study by Florea and Aivaz (2021) contributes to the understanding of the lack of dimension and the hierarchical classification of economic crime in EU states, providing an overview of how different countries face the challenges of corruption in 2021. These hierarchical classifications can contribute to the development and implementation of ISO 37001 compliance strategies, highlighting the fact that the measures adopted are proportional to the level of risk specific to each country. An important role in the prevention of economic crimes is played by European institutions, a series of studies highlighting the importance of cross-border cooperation and a coordinated approach in the adoption of standards such as ISO 37001 to effectively combat bribery and corruption that can proliferate in times of crisis (Florea et Aivaz, 2022; Florea, Aivaz, Vancea, 2021).

In the same framework, the exploratory analysis of the activity dynamics of the General Anti-Tax Fraud Directorate in the period 2014-2020 in Romania, carried out by Aivaz, Munteanu and Chiriac (2022), demonstrates how actions at the national level can be informed and improved by aligning with international standards such as ISO 37001. This study emphasizes the need for a well-structured anti-bribery management system that can serve as the main tool in making the fight against fraud and corruption more efficient.

The anti-bribery management system is thought in this way to stimulate the creation of an anti-bribery culture within an organization combined with the introduction of controls appropriate, in order to detect bribery and to reduce its incidence.

The standard analyzed in this work recommend requirements and guidelines for establishing, implementing, maintaining and improving an anti-bribery management system. It is important to state that the proposed system can be independent or integrated into a management system. (<https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100396.pdf>).

To comply with the standard, the organization must implement a series of measures and controls, is flexible and can be adapted to a wide range of organizations, irrespective of size, sector, structure, geography, or jurisdiction, doesn't matter the size of the company.

The anti-Bribery Management Systems was designed to help an organization establish, implement, maintain and improve an anti-bribery compliance program. It includes a series of measures and controls that represent global anti-bribery good practice. (<http://committee.iso.org/sites/tc309/home/projects/published/iso-37001-anti-bribery-managemen/faqs-on-iso-37001.html>).

Starting from the premise that a company's commitment to exemplary ethical principles in business is a critical element of any successful organization with an appreciated image, the present paper has purpose of highlighting the role played by the implementation of the anti-bribery standard in the company's strategy, as well as the benefits that are generated by its application.

2. Research methodology

The present paper aims to conduct an overview and an analysis as well, concerning the role of the anti-bribe management system in the companies, in conformity with international standards.

The main method used is represented by the qualitative research using the documentation aiming to highlight the benefits that this approach could bring for an organization.

Taking into consideration the destructive power of the corruption through bribe for the business environment, the purpose of the work is to make aware governments, public authorities and companies of the need to implement the recommendations of the ISO standard in the actual economic global context.

Based on observation and analysis of the influence factors and benefits, in correlation with the rules proposed by the normative documents, a scheme of stages to be followed in the process of introducing the system is proposed. The formulated conclusions also suggest the possibility that the anti-bribery management system can be integrated with other applied management systems that concern quality, the environment or social responsibility.

3. Findings

ISO 37001 was developed by a Project Committee established by ISO in 2013. The committee comprised experts from the following participating and observing countries and liaison organizations and was published on 15th October 2016. (https://giaccentre.org/chess_info/uploads/2020/12/GIACC.BROCHURE.ISO-37001.ENGLISH-1.pdf).

This international standard ISO 37001 is based on international anti-bribery experience and was developed with the aim of providing organizations of all types with the necessary elements to prevent, detect and combat bribery under the conditions of re-compliance with anti-corruption laws and voluntary commitments. (<https://www.antimita.ro/iso-37001>)

ISO 37001 requirements are generic and are intended to be applicable to all types of organizations or even departments, regardless of size or affiliation. (<https://www.iso.org/iso-37001-anti-bribery-management.html>)

ISO 37001:2016 is applicable only to bribery in its various forms to different public or private natural or legal persons. (<https://www.iso.org/standard/65034.html>)

Its adoption and consequently its certification proves a responsible approach on the part of an organization that through this approach can gain more trust and at the same time strengthen its image on competitive markets, thus proving that it ensures ethical business practices and procedures. (https://www.tuv.com/romania/ro/service-page_130260.html)

From the perspective of the factors that can influence an organization's decision to introduce a bribery control system, aspects related to: ethical factors can be considered; legal risk; safety and quality risk; reputational risk.

(https://giaccentre.org/chess_info/uploads/2020/12/GIACC.BROCHURE.ISO-37001.ENGLISH-1.pdf)

The application of the anti-bribery management system requires compliance with requirements that refer to: adopting a policy and developing anti-bribery procedures; management responsibility and commitment; appointment of a person in charge; permanent communication with both staff and business partners; training, checking and periodic monitoring of employees; scheduled risk assessments; the application of the due diligence procedure; the existence and application of preventive and control measures, the monitoring of their application and the conduct of audit actions. (<https://www.srac.ro/ro/iso-37001-sistem-de-management-anti-mita>)

ISO 37001 is designed both to support the introduction of an anti-bribery management system and to streamline and strengthen security measures that already exist.

The adoption of the anti-bribery management system also presents multiple benefits, among which the most notable would be: reducing the risk of bribery; the guarantee offered to its own management, employees, clients, financiers, etc., that internationally recognized practices regarding anti-bribery controls have been introduced. Also, in the unwanted case of a criminal investigation, it can provide evidence that measures have been taken to prevent bribery. (<https://www.iso.org/iso-37001-anti-bribery-management.html>)

From a similar point of view, we can summarize that the ISO 37001 intended advantages are as follows:

- Create a competitive advantage and differentiator
- Maximize earnings and minimize losses
- Create an anti-bribery culture
- Benchmark and/or improve an anti-bribery compliance program
- Generate a desire recognition in the market
- Set expectations with third parties and suppliers
- Provide a methodology to document controls, processes and procedures – monitoring and investigations (https://giaccentre.org/chess_info/uploads/2020/12/GIACC.BROCHURE.ISO-37001.ENGLISH-1.pdf)

Also, ISO 37001 certification verifies ethical business practices, increasing the degree of trust a company can present to customers and shareholders. The company's commitment to exemplary business ethics is a critical element of any successful and reputable organization. Trust is a powerful tool for building and maintaining a positive image in the relationship with business partners and authorities, as well as customer trust. (https://www.tuv.com/romania/ro/service-page_130260.html)

The implementation of ISO 37001 involves the following stages:

- ✓ Diagnostic audit to establish the context and opportunity of the approach;
- ✓ Defining policies and procedures according to existing risks, including their evaluation;
- ✓ Allocation of responsibilities;
- ✓ Implementation of financial or non-financial control measures;
- ✓ Ensuring preventive investigation tools;
- ✓ Staff training and awareness;
- ✓ Communication of anti-bribery measures;
- ✓ Ensuring integrity warning mechanisms;
- ✓ Ensuring the tools for identification, treatment and reporting of incidents;
- ✓ Monitoring performance indicators;
- ✓ Carrying out audits to establish compliance with the requirements of the standard. (<https://www.antimita.ro/iso-37001>)

The ISO 37001 recommendations are designed so that they can be integrated into existing management processes and are based on the ISO high-level structure (HLS) for management system standards. From this point of view, it can be easily integrated into other pre-existing management systems in the company, such as those related to quality, environment or information security. (<https://www.mdjpa.ro/uploads/articole/attachments/61a87b75b6d99639444309.pdf>)

As part of a POCA (Administrative Capacity Operational Program) project carried out in Romania in the period 2014-2020, diagnostic analyzes carried out at the level of each public institutions involved.

Thus, implementation teams were structured in the context of the development of this project, at level of each institution, One of the important conclusions of the diagnostic analysis carried out at the level of each institutions is that the quality management system, built in accordance with the ISO 9001:2015 standard, can be easily integrated with the internal managerial control system (ICSM) already implemented and The SMC (quality management system) can be expanded by including the anti-bribery management system that is currently the subject of the ISO 37001:2021 standard. (<https://www.mdjpa.ro/uploads/articole/attachments/61a87b75b6d99639444309.pdf>)

The anti-bribery management system is a certifiable management system, the certification of compliance with the requirements of this system is done by an independent certification body accredited for ISO 37001:2021 certification. (<https://www.antimita.ro/iso-37001>) In this context, specialized certifiers can certify an organization's compliance with the standard in the same way as they do for others ISO standards. Thus, although we cannot always speak of solid guarantees that there will be no bribery, certification or compliance can support the implementation of measures that can significantly reduce the risk of this unwanted phenomenon. (<https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100396.pdf>)

The ISO 37001 certification stages provided by an accredited certification body are as follows: preliminary audit (optional, at least 3 months before the certification audit); formulating the audit plan in the form of a calendar; initial certification audit in 2 stages; certification (within 2 weeks of successfully passing the audit); surveillance audit 24 months after certification; recertification before the expiration of a 3-year period. (<https://www.antimita.ro/iso-37001>)

Once the certificate is obtained, all employees in the organization become responsible for the design, planning, implementation, management and continuous maintenance of the anti-bribery management system. Thus, management is responsible for supporting the program by prohibiting bribery and for allocating sufficient resources to implement and manage the program. At the same time, all employees are responsible for knowing and complying with the anti-bribery policy, completing training and reporting actual or potential cases of non-compliance. (<https://committee.iso.org/sites/tc309/home/projects/published/iso-37001-anti-bribery-management/faqs-on-iso-37001.html>).

And moreover, there are other ISO standards related to ISO 37001, such as: ISO 19600/ Compliance management systems - Guidelines; ISO 26000 Guidance on Social Responsibility; ISO 31000 Risk Management - Principles and Guidelines.

Unlike these standards which state principles that can be used freely as guidance, ISO 37001 establishes requirements for compliance with the Standard, which enables an organization to pursue certification, if desired. (<https://committee.iso.org/sites/tc309/home/projects/published/iso-37001-anti-bribery-management/faqs-on-iso-37001.html>)

Considering the particular nature of anti-bribery management systems, additional specific competence requirements have recently been issued for the auditing and certification of anti-bribery management systems (Technical Specification ISO/IEC TS 17021-9). (<https://committee.iso.org/sites/tc309/home/projects/published/iso-37001-anti-bribery-management/faqs-on-iso-37001.html>)

The core elements of an anti-bribery and corruption compliance program in accordance with ISO 37001 remain: leadership, planning, support, operation, improvement and performance evaluation.

5. Conclusions

Considered one of the most serious problems of the economic environment everywhere, bribery is currently considered a major challenge that, despite national and international efforts, remains very difficult to combat.

ISO 37001 appeared on the background of an older British standard, BS 10500, starting on the one hand from the premise that bribery is a major factor undermining efficiency and fair business and on the other hand that trust and transparency are the basic elements of the credibility of any business.

This international approach actually represents a globally recognized way of fighting face-to-face with a criminal activity that produces and runs dirty money, being at the same time a way of reducing corruption.

The international anti-bribery standard thus allows institutions from any field of activity and of any size to prevent, detect and tackle head-on all types of manifestations of this destructive phenomenon by practicing policies, supervision, employee training, evaluations, due diligence for bribery projects, business controls, investigations and reports.

The ISO 37001 Anti-Bribery Management Systems standard is intended to support public organizations or private to prevent and identify bribery and corruption by establishing character requirements normative. The standard is an international one, applicable regardless of existing anti-corruption legislation at the level of a state. In Romania, the requirements of the standard are very similar to the requirements already existing in the legislation to prevent and combat corruption so that the implementation the standard is facilitated by a favorable legislative framework.

ISO 37001 can be purchased from any national ISO member or through the ISO Store.

6. References

- Aivaz, K.A, Munteanu, I., Chiriac, A., 2022. An exploratory analysis of the dynamics of the activity of the Fiscal Anti-fraud Directorate General in the 2014-2020 period at the level of Romania. *Technium Social Sciences Journal*, Vol. 30 pp. 337-347. <https://doi.org/10.47577/tssj.v30i1>
- Florea, I.O., Aivaz, K.A., Vancea, D.P., 2022. Exploratory Study on the Types of Economic Crimes at EU Level. *Ovidius University Annals, Economic Sciences Series*, Vol. XXII, Issue 2, pp.68-76
- Florea, I.O., Aivaz, K.A., 2022. The dimension of the phenomenon of economic crime. A hierarchical classification of EU countries at the level of 2021. *Annals of "Dunărea de Jos" University of Galați, Fascicle I. Economics and Applied Informatics*, XXVIII (3), pp.125-134. <https://doi.org/10.35219/eai15840409296>
- Florea, I.O., Aivaz, K.A., 2022. A Dynamic Analysis of Economic Crime in Europe: The Role of the European Institutions in the Prevention of Economic Crimes in the COVID-19 Pandemic. *Annals of "Dunărea de Jos" University of Galați, Fascicle I. Economics and Applied Informatics*, XXVIII (3), pp. 17-28. <https://doi.org/10.35219/eai15840409283>
- * * *, 2023. *ISO 37001 - Sistem de management anti-mita [Anti-bribery management system]*. [online] Available at: <https://www.srac.ro/ro/iso-37001-sistem-de-management-anti-mita> [Accessed on November 2023]
- * * *, 2023. *Politica anti-mită Renania [Anti-bribery policy Rhineland]*. [online] Available at: https://renania.ro/documents/POLITICA_ANTI_MITA_RENANIA_ro.pdf [Accessed on October 2023]
- * * *, 2022. *ISO 37001 - Anti-bribery management systems*. [online] Available at: <https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100396.pdf> [Accessed on November 2023]
- * * *, 2022. *ISO 37001:2016 Anti-bribery management systems requirements with guidance for use*. [online] Available at: <https://www.iso.org/standard/65034.html> [Accessed on November 2023]
- * * *, 2021. *ISO/TC 309 Governance of organizations*. [online] Available at: <https://committee.iso.org/sites/tc309/home/projects/published/iso-37001-anti-bribery-managemen/faqs-on-iso-37001.html> [Accessed on November 2023]
- * * *, 2021. *ISO 37001 certification – Anti-bribery management system*. [online] Available at: https://www.tuv.com/romania/ro/service-page_130260.html [Accessed on November 2023]
- * * *, 2020. *Anti-bribery management ISO 37001*. [online] Available at: https://www.certind.ro/sisteme-de-management_8/managementul-anti-mita-ISO-37001_16 [Accessed on October 2023]
- * * *, 2020. *Overview of International Standard ISO 37001*. [online] Available at: https://giaccentre.org/chess_info/uploads/2020/12/GIACC.BROCHURE.ISO-37001.ENGLISH-1.pdf [Accessed on November 2023]
- * * *, 2020. *What is ISO 37001 Anti-Bribery Management Systems?* [online] Available at: <https://www.antimita.ro/iso-37001> [Accessed on October 2023]
- * * *, 2019. *Reaping the benefits of ISO 9001*. [online] Available at: <https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100369.pdf> [Accessed on October 2023]
- * * *, 2016. *ISO 37001 Anti-bribery management systems-free brochure*. [online] Available at: <https://www.iso.org/publication/PUB100396.html> [Accessed on November 2013]