Presenters

Agenda

1. Introduction – why international governance standard now?

2. Context of these Standards, focus ISO DIS 37000

3. Annotated Structures

   1. ISO DIS 37000 Guidance for the Governance of Organizations

   2. ISO DIS 37002 Whistleblowing management systems — Guidelines

4. How you can participate – submit comments

The primary purpose of "good governance" is to promote sound decision-making by leaders on behalf and for the benefit of the stakeholders to whom they owe legal and moral accountability.

Strategic Business Plan, Adopted March 2018

Why an international governance standard now?

Change

Opportunities, constraints, challenges

- **Organizational Types**
  SOEs, Virtual, Hybrid, etc.

- **Organizational Needs**
  Purpose, expectations, reach

- **Societal Changes**
  Trust, flexibility, civil society, demand behaviour, value over the long term

- **Employee Expectations**
  Transparency of decision making, trust

- **Technological Change**
  Use of and impacted by

There is already much "good corporate governance guidance"…

Why an ISO standard?

Purpose of ISO Standards

ISO Directives, Part 2, 2016:6

"**4. Objective of Standardization**

The objective of documents is to specify clear and unambiguous provisions in order to help international trade and communication."

Global Relevance of ISO International Standards

MAKING SURE EVERYONE'S VOICE IS HEARD

DEVELOPING COUNTRIES

More than three quarters of ISO members are from developing countries. The knowledge and expertise reflected in International Standards help developing countries realize their potential and getting involved in the development work makes sure that their needs are taken into account. ISO supports the participation of developing countries in standardization through its Committee on Developing Country Matters (DEVCO).

Twinning relationships is one of the actions ISO has taken to support participation from developing country members. A twinning relationship means that members can work together to build capacity of a developing country.

ISO and developing countries

1. Applicable to all

UNITED KINGDOM	The QCA Corporate Governance Code
	Available in: English 26 April 2018

SLOVENIA	Slovenian Corporate Governance Code For Listed Companies - 2016 (Updated 2018)
	Available in: English , Slovenian 01 January 2018

UNITED KINGDOM	UK: FRC publishes revised ISA (UK) 250 Section A - Consideration of laws and regulations in an audit 2017
	Available in: English 01 December 2017

DENMARK	Anbefalinger for god selskabsledelse 2018
	Available in: Danish , English 23 November 2017

Mixed (with Private associations); 10; 22%

National authorities; 12; 27%

Private associations; 9; 20%

Stock exchanges; 9; 20%

Mixed (Authorities & Exchanges); 5; 11%
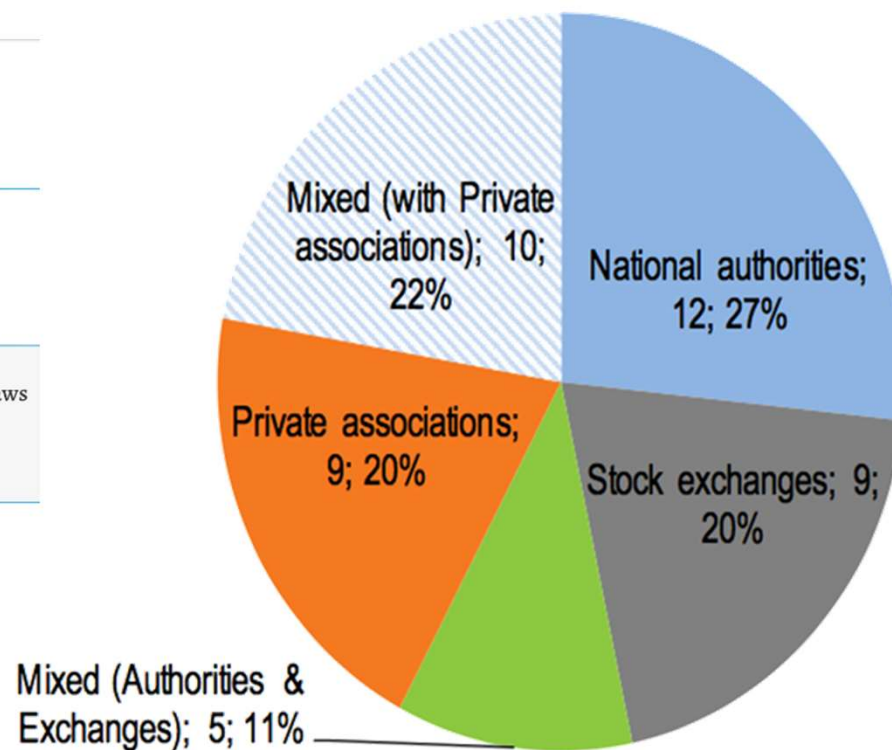
Note: This Figure shows the number of jurisdictions in each category and percentage share of 45 jurisdictions for which data were available. See Table 2.3.

ISO
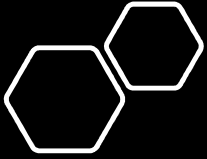
STANDARDS

Applicable to all:

All Countries

All Sectors

All Types

11

Consider the following 3 facts:

- Developing countries have fewer relevant laws, codes, and standards to draw on, thereby making governance of organizations weaker

- The Corruption Perception Index confirms that the effects of weak organizational governance and corruption prevention are clearly greater in Developing Countries.

- The Ease of Doing business surveys consistently show that organizations and systems in developing countries are weaker in the areas of governance and compliance

Country Classification
- Developed Countries
- Transitioning
- Developing Countries
- Transitioning
- Least Developed Countries
- No Data

Created with mapchart.net ©

12

Hierarchy of obligations
impacting governance of organizations

Intl Public Law (e.g. human rights)

National Laws & Regulations

Codes for types of organizations, segments, industries, countries, regions)

Good practice standards (ISO, COSO, COBIT, etc)

Internal Organizational Policies

Weaker in Developing Countries

Fewer in Developing Countries

Missing everywhere
But UK and AUS
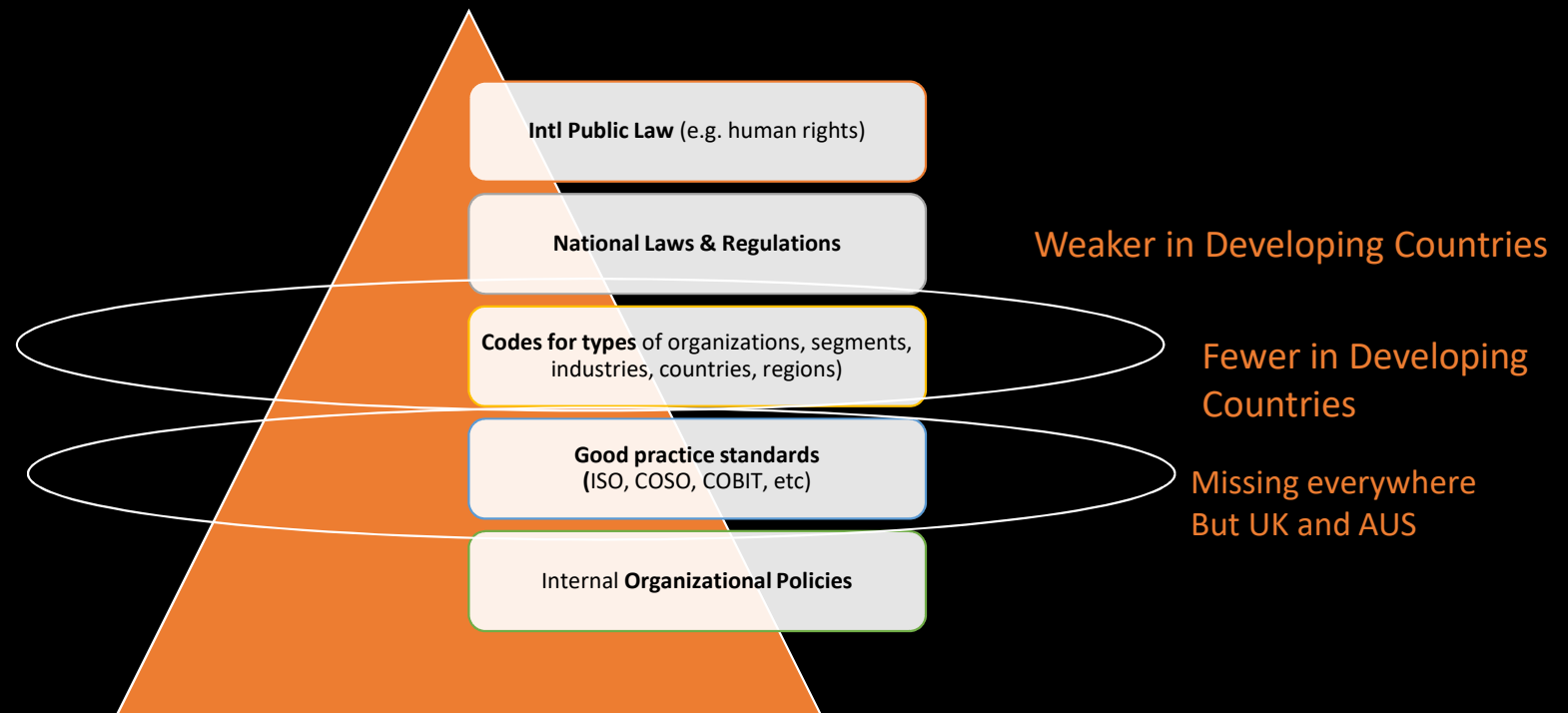
Adapted from DIN Deutsches Institute fuer Normen eV, 2015. DIN SPEC 33456 - **Leitlinien für Geschäftsprozesse in Aufsichtsgremien** - Business Process Guidelines for Supervisory Boards and Independent Directors. pp.1–104. Available at: www.beuth.de [Accessed July 22, 2016].

POLL #2

Corruption Perception Index

Transparency International, 2020

- Corruption is perceived to be much more prevalent in developing countries

- TC309 is key for preventing and combatting corruption

Corruption around the World in 2019

SCORE

Highly Corrupt — Very Clean

0-9 10-19 20-29 30-39 40-49 50-59 60-69 70-79 80-89 90-100   No data
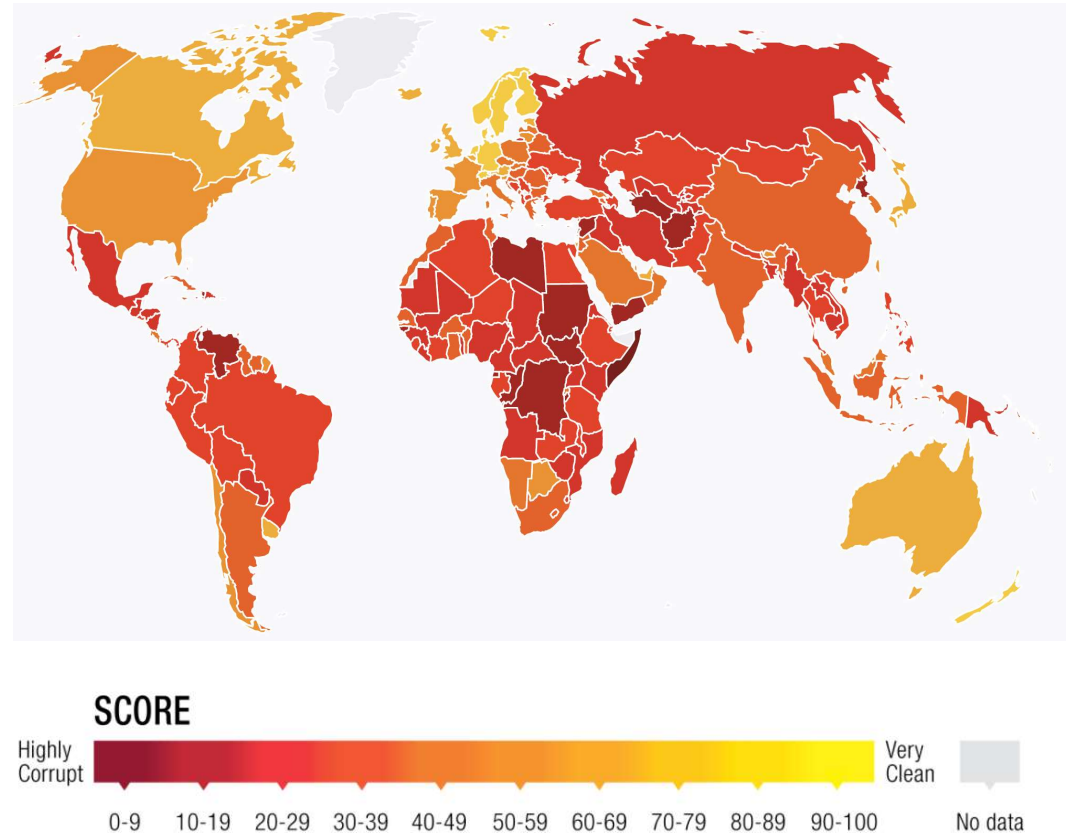
https://www.transparency.org/en/cpi

Ease of Doing Business Survey
World Bank, 2018/2020

Developing countries are behind and need more institutional strengthening of the type covered by TC309

Doing Business places emphasis on the quality of legal infrastructure and the strength of legal institutions. The protecting minority investors indicator set, for example, measures the protection of minority shareholders. For businesses to secure equity finance, legal mechanisms are needed to prevent the use of corporate assets by company insiders for personal gain—especially during financial crises or times of market distress. Research has shown that during the 2008 global financial crisis, for example, companies in economies with better investor protections and stronger corporate governance experienced a smaller decrease in their market value. Conversely, firms in economies with weak legal structures saw a more significant decline in value.[3]

**TABLE O.1 Ease of doing business ranking**

| Rank	Economy	DB score	Rank	Economy	DB score	Rank	Economy	DB score
1	New Zealand	86.8	65	Puerto Rico (U.S.)	70.1	128	Barbados	57.9
2	Singapore	86.2	66	Brunei Darussalam	70.1	129	Ecuador	57.7
3	Hong Kong SAR, China	85.3	67	Colombia	70.1	130	St. Vincent and the Grenadines	57.1
4	Denmark	85.3	68	Oman	70.0	131	Nigeria	56.9
5	Korea, Rep.	84.0	69	Uzbekistan	69.9	132	Niger	56.8
6	United States	84.0	70	Vietnam	69.8	133	Honduras	56.3
7	Georgia	83.7	71	Jamaica	69.7	134	Guyana	55.5
8	United Kingdom	83.5	72	Luxembourg	69.6	135	Belize	55.5
9	Norway	82.6	73	Indonesia	69.6	136	Solomon Islands	55.3
10	Sweden	82.0	74	Costa Rica	69.2	137	Cabo Verde	55.0
11	Lithuania	81.6	75	Jordan	69.0	138	Mozambique	55.0
12	Malaysia	81.5	76	Peru	68.7	139	St. Kitts and Nevis	54.6
13	Mauritius	81.5	77	Qatar	68.7	140	Zimbabwe	54.5
14	Australia	81.2	78	Tunisia	68.7	141	Tanzania	54.5
15	Taiwan, China	80.9	79	Greece	68.4	142	Nicaragua	54.4
16	United Arab Emirates	80.9	80	Kyrgyz Republic	67.8	143	Lebanon	54.3
17	North Macedonia	80.7	81	Mongolia	67.8	144	Cambodia	53.8
18	Estonia	80.6	82	Albania	67.7	145	Palau	53.7
19	Latvia	80.3	83	Kuwait	67.4	146	Grenada	53.4
20	Finland	80.2	84	South Africa	67.0	147	Maldives	53.3
21	Thailand	80.1	85	Zambia	66.9	148	Mali	52.9
22	Germany	79.7	86	Panama	66.6	149	Benin	52.4
23	Canada	79.6	87	Botswana	66.2	150	Bolivia	51.7
24	Ireland	79.6	88	Malta	66.1	151	Burkina Faso	51.4
25	Kazakhstan	79.6	89	Bhutan	66.0	152	Mauritania	51.1
26	Iceland	79.0	90	Bosnia and Herzegovina	65.4	153	Marshall Islands	50.9
27	Austria	78.7	91	El Salvador	65.3	154	Lao PDR	50.8
28	Russian Federation	78.2	92	San Marino	64.2	155	Gambia, The	50.3
29	Japan	78.0	93	St. Lucia	63.7	156	Guinea	49.4
30	Spain	77.9	94	Nepal	63.2	157	Algeria	48.6
31	China	77.9	95	Philippines	62.8	158	Micronesia, Fed. Sts.	48.1
32	France	76.8	96	Guatemala	62.6	159	Ethiopia	48.0
33	Turkey	76.8	97	Togo	62.3	160	Comoros	47.9
34	Azerbaijan	76.7	98	Samoa	62.1	161	Madagascar	47.7
35	Israel	76.7	99	Sri Lanka	61.8	162	Suriname	47.5
36	Switzerland	76.6	100	Seychelles	61.7	163	Sierra Leone	47.5
37	Slovenia	76.5	101	Uruguay	61.5	164	Kiribati	46.9
38	Rwanda	76.5	102	Fiji	61.5	165	Myanmar	46.8
39	Portugal	76.5	103	Tonga	61.4	166	Burundi	46.8
40	Poland	76.4	104	Namibia	61.4	167	Cameroon	46.1
41	Czech Republic	76.3	105	Trinidad and Tobago	61.3	168	Bangladesh	45.0
42	Netherlands	76.1	106	Tajikistan	61.3	169	Gabon	45.0
43	Bahrain	76.0	107	Vanuatu	61.1	170	São Tomé and Príncipe	45.0
44	Serbia	75.7	108	Pakistan	61.0	171	Sudan	44.8
45	Slovak Republic	75.6	109	Malawi	60.9	172	Iraq	44.7
46	Belgium	75.0	110	Côte d'Ivoire	60.7	173	Afghanistan	44.1
47	Armenia	74.5	111	Dominica	60.5	174	Guinea-Bissau	43.2
48	Moldova	74.4	112	Djibouti	60.5	175	Liberia	43.2
49	Belarus	74.3	113	Antigua and Barbuda	60.3	176	Syrian Arab Republic	42.0
50	Montenegro	73.8	114	Egypt, Arab Rep.	60.1	177	Angola	41.3
51	Croatia	73.6	115	Dominican Republic	60.0	178	Equatorial Guinea	41.1
52	Hungary	73.4	116	Uganda	60.0	179	Haiti	40.7
53	Morocco	73.4	117	West Bank and Gaza	60.0	180	Congo, Rep.	39.5
54	Cyprus	73.4	118	Ghana	60.0	181	Timor-Leste	39.4
55	Romania	73.3	119	Bahamas, The	59.9	182	Chad	36.9
56	Kenya	73.2	120	Papua New Guinea	59.8	183	Congo, Dem. Rep.	36.2
57	Kosovo	73.2	121	Eswatini	59.5	184	Central African Republic	35.6
58	Italy	72.9	122	Lesotho	59.4	185	South Sudan	34.6
59	Chile	72.6	123	Senegal	59.3	186	Libya	32.7
60	Mexico	72.4	124	Brazil	59.1	187	Yemen, Rep.	31.8
61	Bulgaria	72.0	125	Paraguay	59.1	188	Venezuela, RB	30.2
62	Saudi Arabia	71.6	126	Argentina	59.0	189	Eritrea	21.6
63	India	71.0	127	Iran, Islamic Rep.	58.5	190	Somalia	20.0
64	Ukraine	70.2						

Source: Doing Business database.

Note: The rankings are benchmarked to May 1, 2019, and based on the average of each economy's ease of doing business scores for the 10 topics included in the aggregate ranking. For the economies for which the data cover two cities, scores are a population-weighted average for the two cities. Rankings are calculated on the basis of the unrounded scores, while scores with only one digit are displayed in the table.

2. Wide Consensus
Like G20/OECD, wide participation in ISO/TC309 - enables
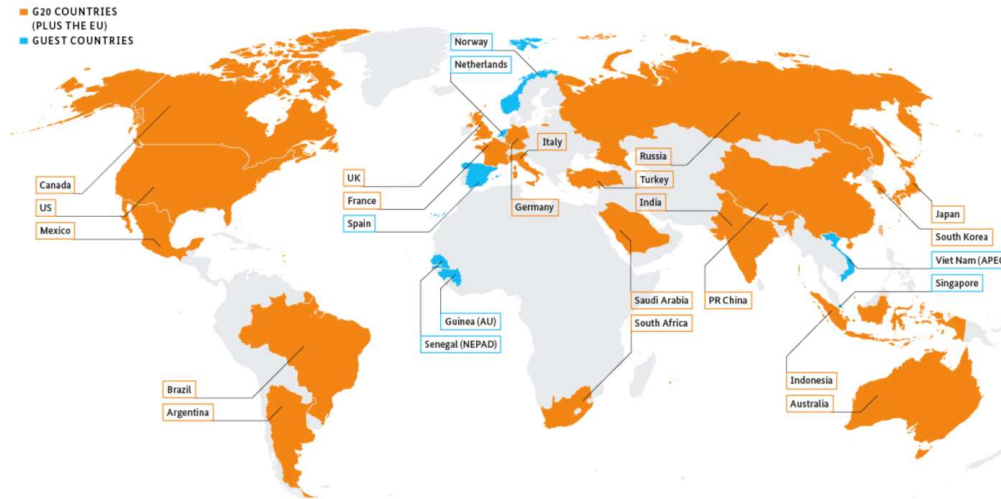
The G20 is a forum of 19
countries plus the European
Union (28 Countries)
Total = 19+28=47 maximum
OECD is 36 countries
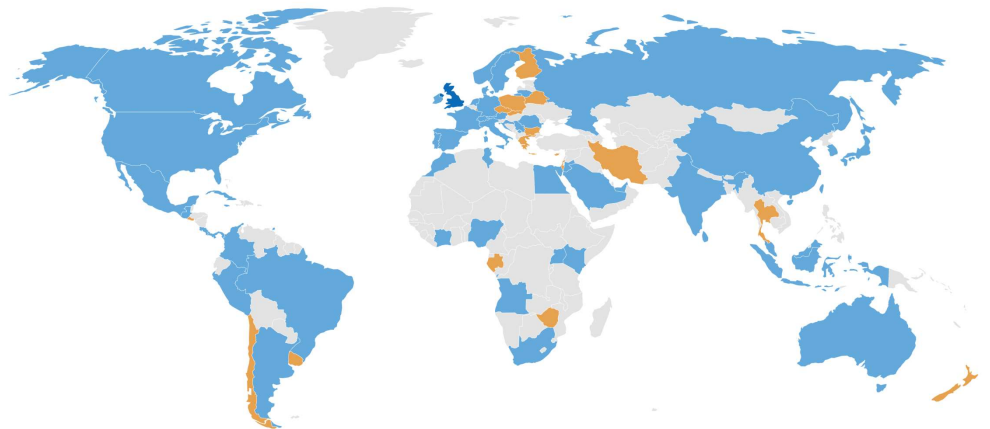
TC309 as of May 2020:
54 Participating
22 Observing
= 76 Countries
+ 23 Liaison Orgs
of 164 members

3. Leverage & Enable ISO

ISO

About us

ISO TODAY

23249
International Standards covering almost all aspects of technology and manufacturing.

164
Members representing ISO in their country. There is only one member per country.

787
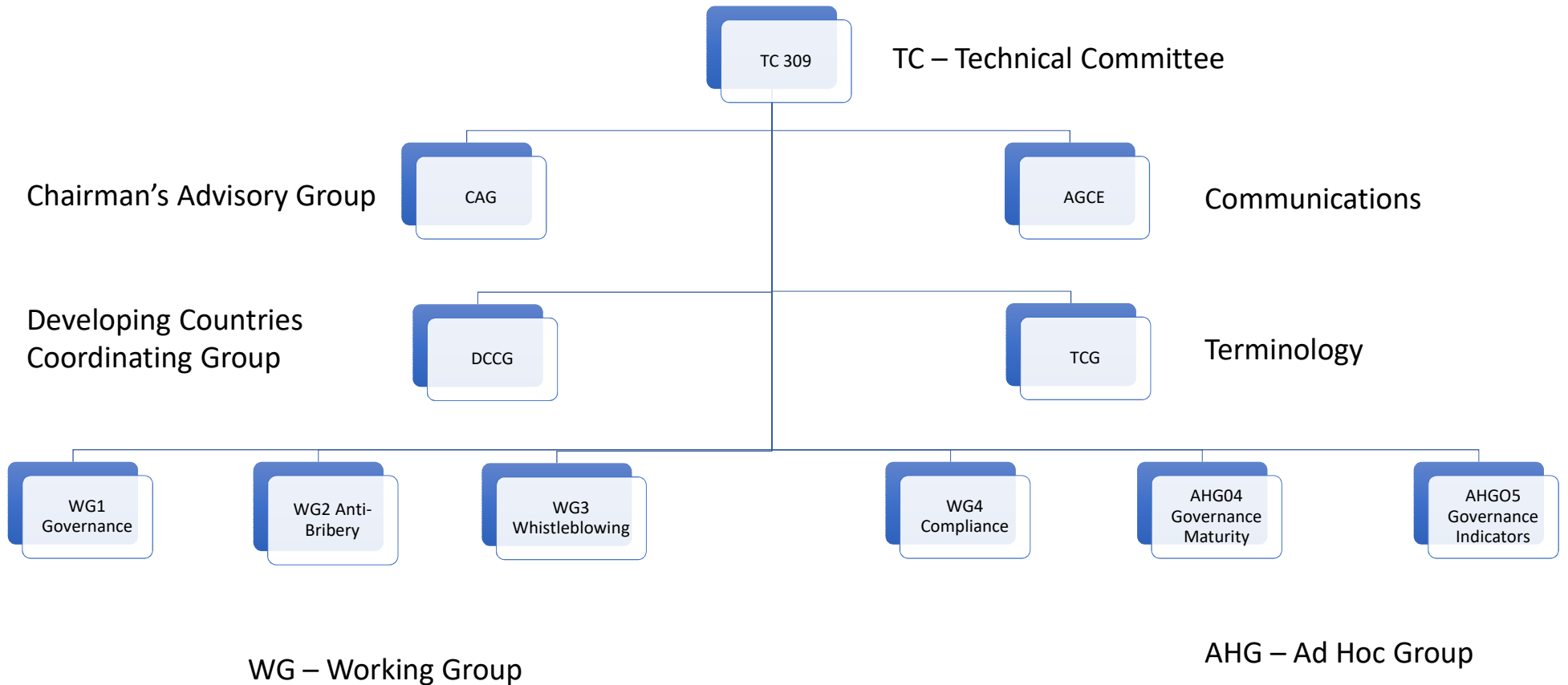Technical committees and subcommittees to take care of standards development.
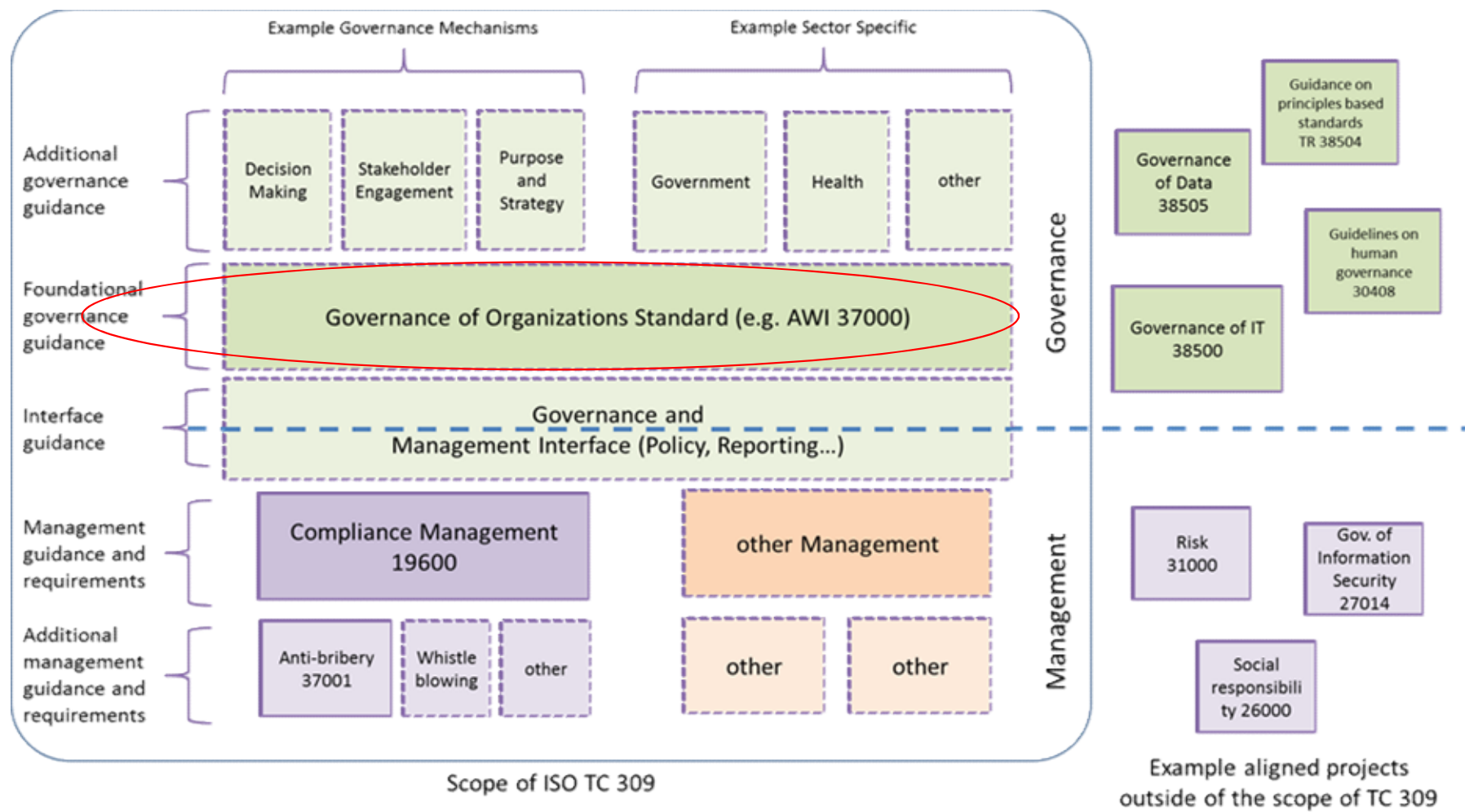
100
new standards each month

More than
100 000 experts

ISO/TC309 Governance of Organizations

TC 309

TC – Technical Committee

Chairman's Advisory Group

CAG

AGCE

Communications

Developing Countries
Coordinating Group

DCCG

TCG

Terminology

WG1 Governance

WG2 Anti-Bribery

WG3 Whistleblowing

WG4 Compliance

AHG04 Governance Maturity

AHGO5 Governance Indicators

WG – Working Group

AHG – Ad Hoc Group

Governance architecture

Strategic Business Plan, Adopted March 2018

3 reasons why ISO:
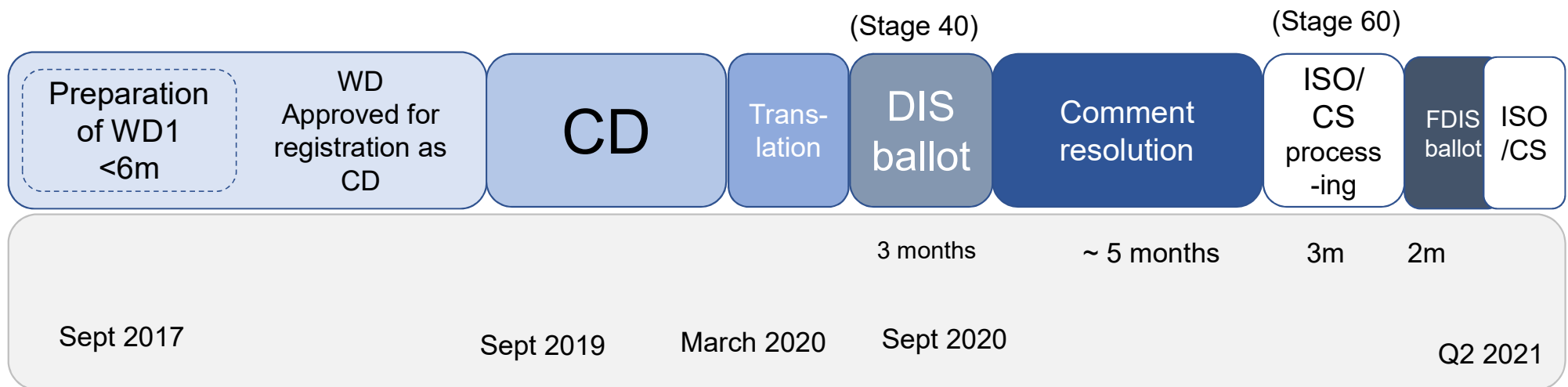
Reason	How
Complementary	• many existing ISO users of 23,000 standards
Comparable	• good governance across organizational types, sectors and countries
Enabling	• Introduce guidance where there is none currently available • Expands & apply more narrow or specific guidance

The universe of standards & other documents

Standards

Management System Standards (MSS)

A B

Other

Guidance

Require-ments

Technical Requirements

Technical Specification

Other

Currently included

Same structure

Later, the series can contain all these
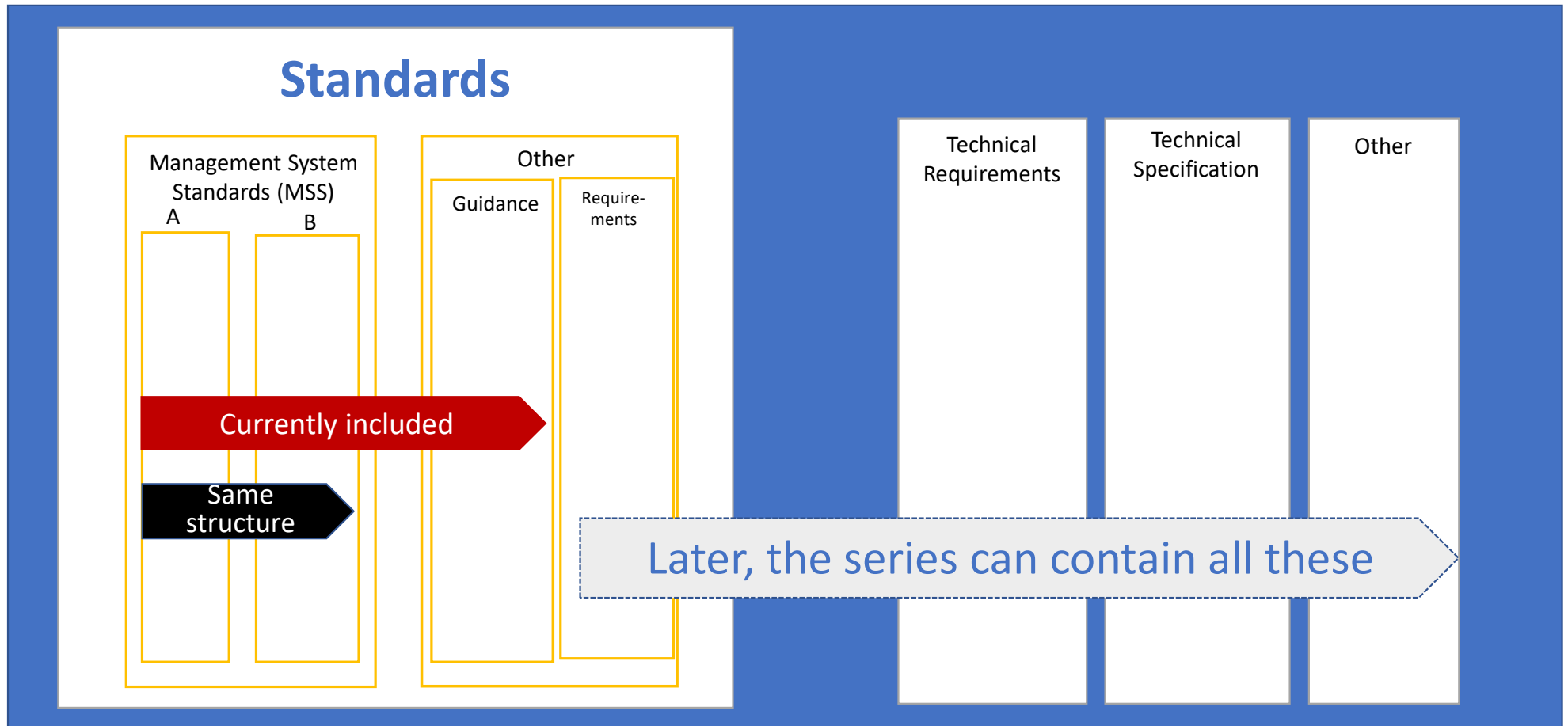
WG1 Deliverables in relation to ISO Drafting Stages

We are here

(Stage 40)　　　　　　　　　　　　　　　(Stage 60)

Preparation of WD1 <6m	WD Approved for registration as CD	CD	Trans-lation	DIS ballot	Comment resolution	ISO/CS process-ing	FDIS ballot	ISO /CS

			3 months	~ 5 months	3m	2m

Sept 2017 　　　　　　　Sept 2019　　March 2020　Sept 2020　　　　　　　　　　　　Q2 2021

Thematic questions to aid review:

- Do you agree with the overall approach?

- Is more guidance needed for any particular clause or principle, given that the standard is foundational and there will be more specific elements developed in the future?

Thematic questions to aid review:

- Do you have any editorial feedback?
  - Is there anything we could improve about the way it has been written, or communicated, to better assist target audience members to apply the organizational governance principles?

- Are there any areas that are out of step with guidelines that your organization or governing body follows?

Thematic questions to aid review:

- Are there any other areas of ambiguity in the standard?

- Are there any cost implications or other barriers to adopting the guidelines?

Part 2 – Annotated Structure ISO/DIS 37000

Annotated structure of ISO DIS 37000

POLL
#3

Annotated structure of ISO DIS 37000

Why

What it is about

* Defines key principles and recommends best practices to guide governing body to meet responsibilities

For whom – governing bodies as well as:

* those who govern organizations;
* managers and staff;
* governance practitioners;
* other interested stakeholders.

Annotated structure of ISO DIS 37000

Benefits across countries and sectors:
- confidence in decisions

- benefits [linked to specific aspects of good governance] to

  - organization,
  - owner stakeholders, and
  - other stakeholders

Introduction - Sample

This guidance is **directed** at governing bodies but may also be useful to those that support it in discharging its duties such as:

— those who govern organizations;

— managers and staff;

— governance practitioners;

— other interested stakeholders.

Note link to "thread of governance"; "Governing body" "Governing group"

Perspectives of an SME

In an SME, persons may have multiple roles within the governance framework

Governing Groups

Advisory Board
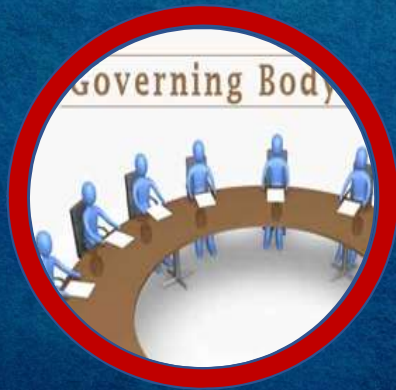
Owner Stakeholders

Governing Body

Executive Management
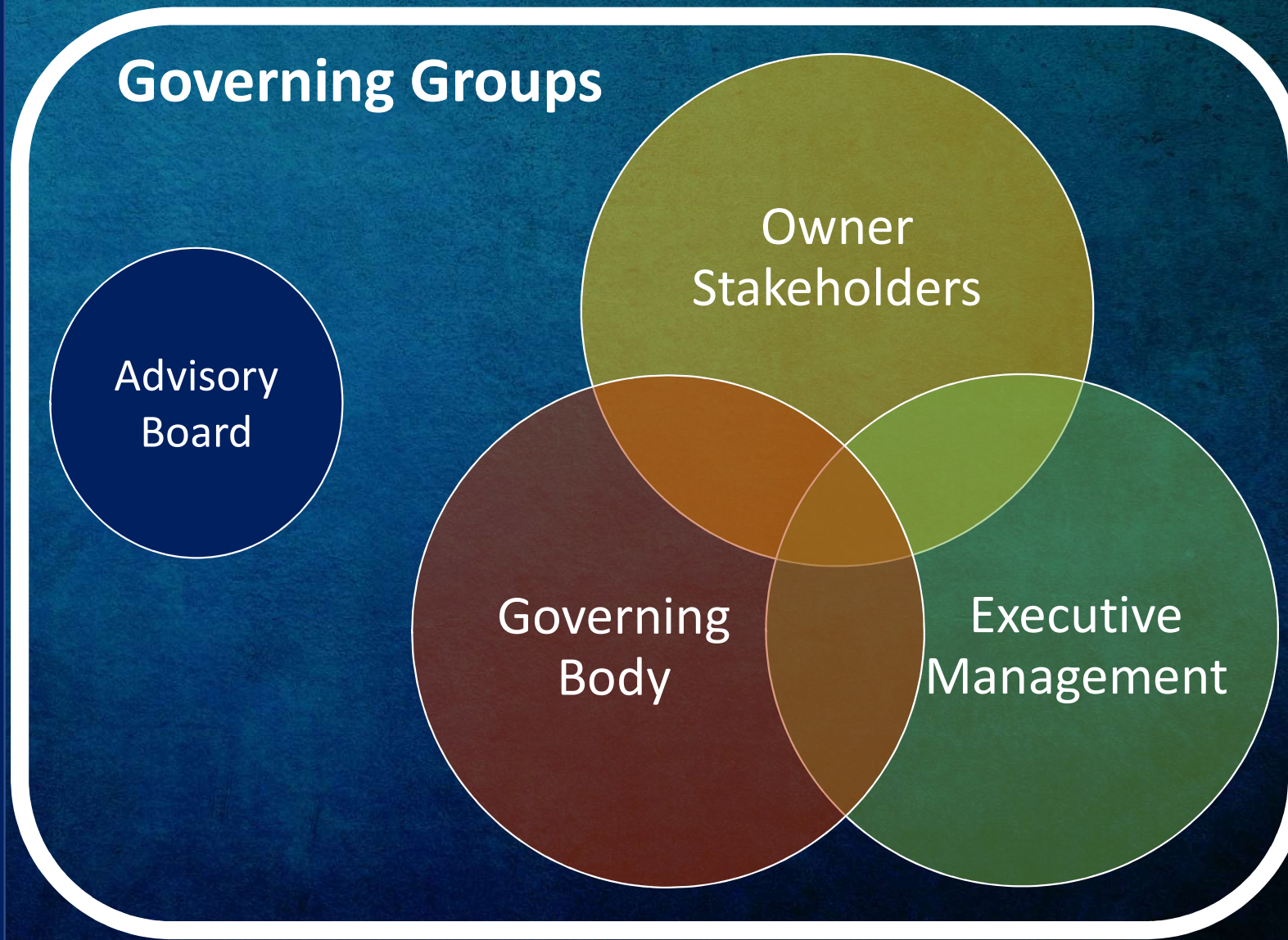
Owner Stakeholders

"… As the Owner I have certain values I operate by and I am interested to put good governance practices in place once there is a fit." *Managing Director, COTEEL*

"…As an SME owner, purpose is personal and is founded on my personal value system." *Financial Director, COTEEL*

Governing Body

"…As Director, I'm focused on my company being seen as a good Governance practitioner. I'm not concerned about what others do to get ahead…" Managing Director, COTEEL

"…As Director, I set the tone for values, ideals and culture and my examples are followed by others…." *Financial Director, COTEEL*

Executive Management

"…Cost of putting good governance practices in place is a consideration, like any other cost of implementing a management system…" *Managing Director, COTEEL*

"…Performance measurement is a must and decision making based on facts not feelings is essential to me….." *Financial Director, COTEEL*

In a family-owned SME, owner stakeholders, the governing body and executive management may be one and the same

Owner Stakeholders

Governing

Body

Executive Management
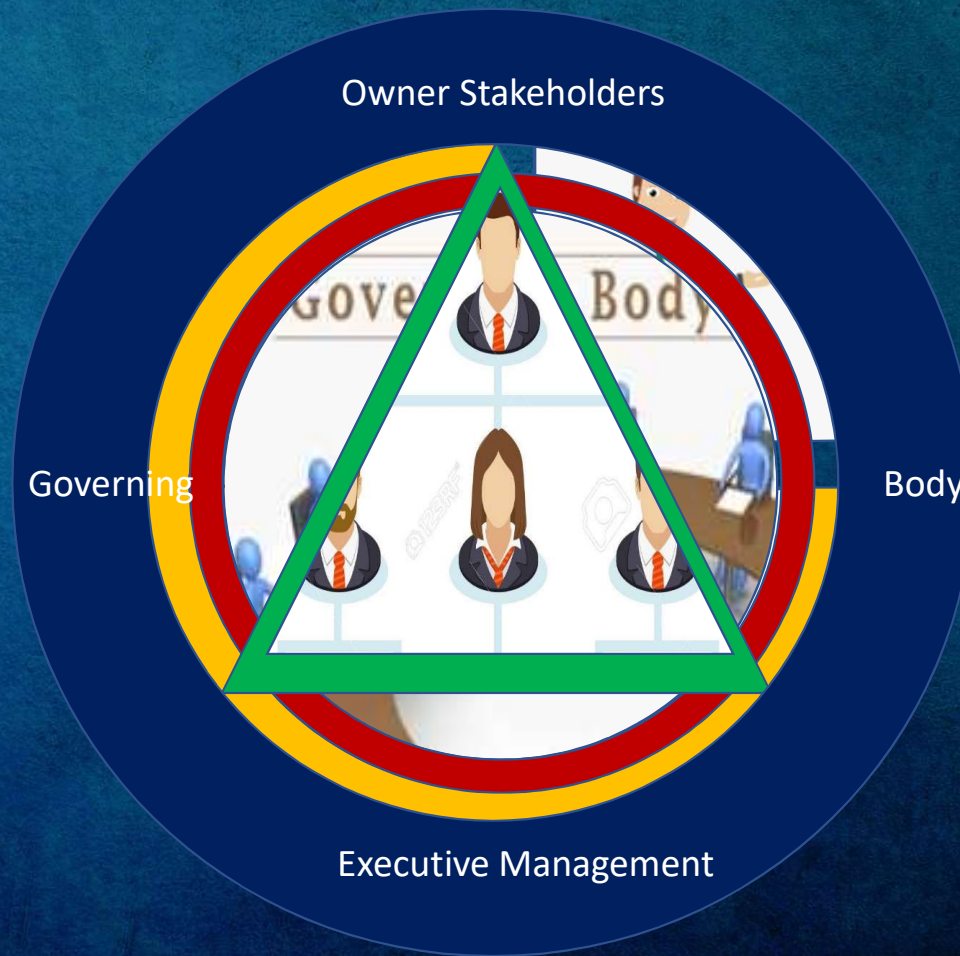
Introduction - Sample

This guidance sets out principles which will assist governing bodies in discharging their duties **effectively and efficiently, enhancing trust, inclusion, accountability, responsiveness and equity**.

Qualitative dimensions

Governing bodies that apply this guidance can achieve **effective performance, responsible stewardship** and ethical behaviour.

Outcomes

Introduction - Sample

In applying this standard, stakeholders across countries and sectors can have **increased confidence** that governing bodies are making decisions that are **responsible, accountable, fair, transparent, with probity and informed** by:

- credible information and reliable data;
- stakeholders' expectations;
- ethical and societal expectations;
- compliance obligations;
- open and honest reporting and;
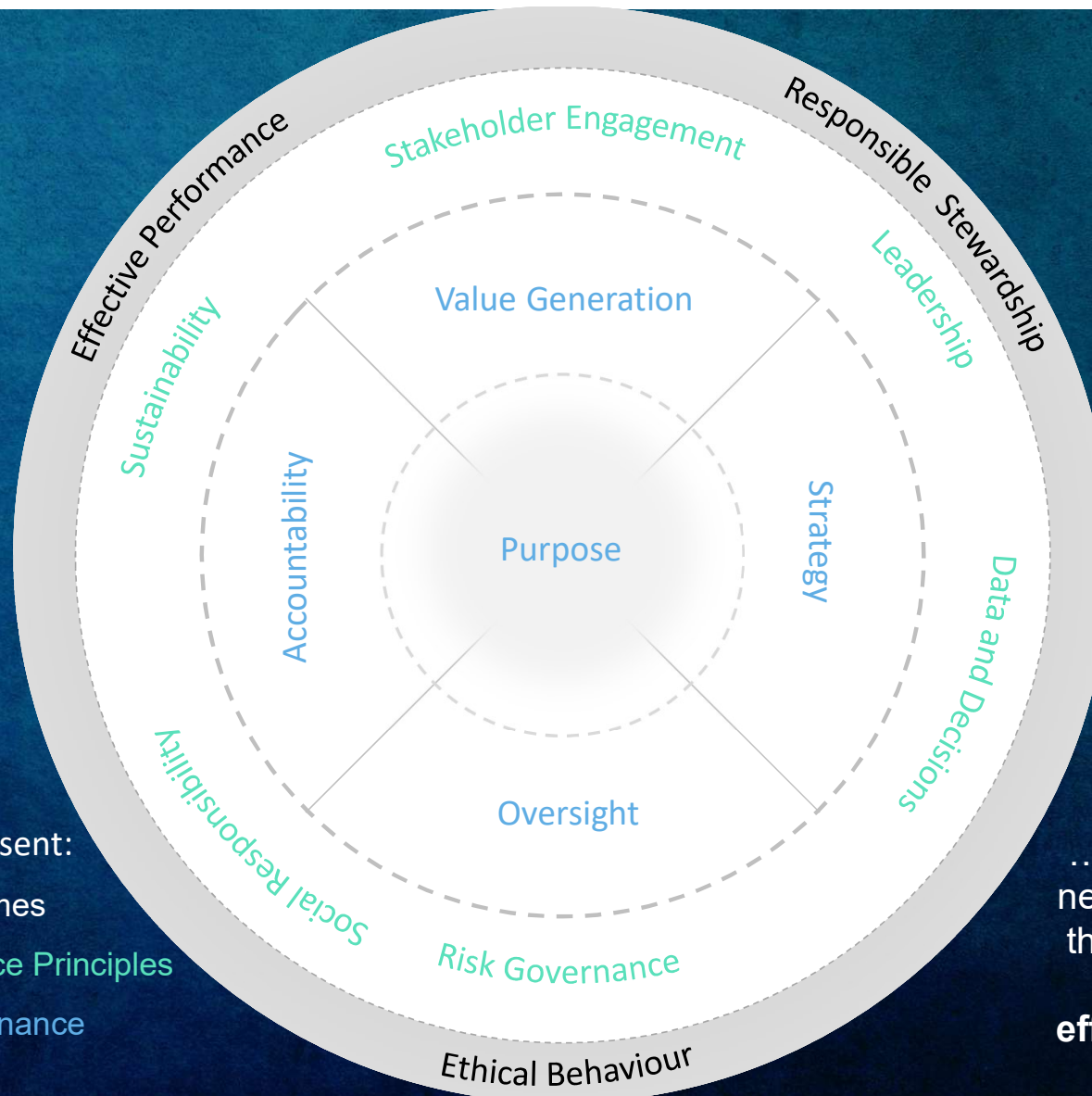- natural environment limitations and impacts.

the quality of being honest and behaving correctly

Figure 1
Governance Framework Overview

Annotated structure ISO DIS 37000

3 Terms and definitions – Three (3) categories

3.1 Governance and organization
- Including governance of orgranizations

3.2 Principles and outcomes
- Including organizational purpose

3.3 Roles
- From outside to inside the organization e.g. owner stakeholders, governing group

Note:

Especially important because this is:

- Foundational standard
- Consistent with other standards (governance and management related)
- Consistency across organizational types (including but beyond 'corporate governance')

Terminology - Samples

3.2.8

- Governance of organization:
  - the system by which an organization is
    - directed
    - overseen
    - held accountable
  - for achieving its defined purpose

3.1.3
organization
person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives

[dictionary]
system
a regularly interacting or interdependent group of items forming a unified whole

3.2.2
accountability
obligation to another for the fulfilment of a responsibility

3.2.8
organizational purpose
organization's reason to exist which guides its performance objectives and provides clear context for daily decision-making by relevant *stakeholders* (3.3.1)

Terminology - Samples

3.2.8

organizational purpose

organization's reason to exist which guides its performance objectives and provides clear context for daily decision-making by relevant *stakeholders* (3.3.1)

3.3.2

owner stakeholders

owners, shareholders or members of the *organization* (3.1.3) who, through formal decisions, are entitled to decision-making powers exceeding that of the *governing body* (3.3.3)

Note 1 to entry: Depending on the nature of the organization, members could include those members of associations with voting rights.

Terminology - Samples

3.3.3

governing body

person or group of people who have ultimate *accountability* (3.2.2) for the whole *organization* (3.1.3)

Note 1 to entry: Every organizational entity has one governing body, whether or not it is explicitly established.

Note 2 to entry: A governing body can include, but is not limited to, board of directors, supervisory board, or trustees.

Note 3 to entry: Where the term *governing body* is used throughout this document, the term *governing group* (3.3.4) will be applicable when the *organization* (3.1.3) is not an *organizational entity* (3.1.4).

[SOURCE: ISO/IEC 38500:2015, 2.9 amended]

Terminology - Samples

3.3.4
governing group
person or group of people who govern an *organization* (3.1.3)

Note 1 to entry: In some cases, the governing group can include executive managers or persons who have a top management role, while keeping management and governance roles separate.

Note 2 to entry: In some cases, the governing group can include a person or group of people representing an organizational entity.

Note 3 to entry: Where an organization spans multiple *organizational entities* (3.1.4), it is governed by a governing group. Additionally, where an organization exists wholly within an organizational entity (e.g. a subsidiary company or department) it has a governing group that is responsible for maintaining the organizational entity's thread of governance within that organization.

4 Context of this standard

4.1 Need for guidance

4.2 Governance of organizations

Governance of organizations is the system by which an organization is directed, overseen, and accountable for achieving its defined purpose."

- Thread of governance

- Governance and management

…distinct, necessary, and complementary within organizations

4.3 Governance and stakeholders

**4.2
Governance of organizations**

Governance of organizations is the system by which an organization is directed, overseen, and accountable for achieving its defined purpose.

At its foundation this includes:

— **setting** the purpose, mission, vision, organizational ethos, organizational values, and culture to give the organization direction;

— **steering** the strategy and balancing resources appropriately to achieve that purpose;

— **exercising oversight** of the organization's performance, ensuring compliance and viability;

— **engaging** with and **accounting** to stakeholders.

4.2.1

Thread of governance

Governance is performed throughout the organization by various groups, including:

— the governing body;

— owner stakeholders;

— management; and

— other internal functions of the organization.

The governing body is accountable for an effective governance framework across the organization.

The governance framework should enable/empower all internal and external governance groups involved in making decisions that affect the organization.

…To this end, the scope and impact of possible decisions should be defined and aligned with the levels of responsibility. This empowers staff to act appropriately and makes the whole organization more resilient and agile.

4.3 Governance and stakeholders

- The pursuit of value of one kind or another is at the centre of the definition of "success" for all organizations.

- Value is therefore of primary importance for the governance of organizations.

- This value is defined through engagement with stakeholders.

Note the evolution from shareholder centricity…

5 The governing body

The governing body is the person or group of people who are ultimately accountable for the whole organization.

5.1 Composition and structure

5.2 Competence

Are there other universal topics that ought to be covered / addressed?

6
Framework

Responsible Stewardship

Effective Performance

Stakeholder Engagement (Principle 6)

Leadership (Principle 7)

Value Generation (Principle 2)

Sustainability (Principle 11)

Strategy (Principle 3)

Accountability (Principle 5)

Purpose (Principle 1)

Data and Decisions (Principle 8)

Social Responsibility (Principle 10)

Oversight (Principle 4)

Risk Governance (Principle 9)

Ethical Behaviour
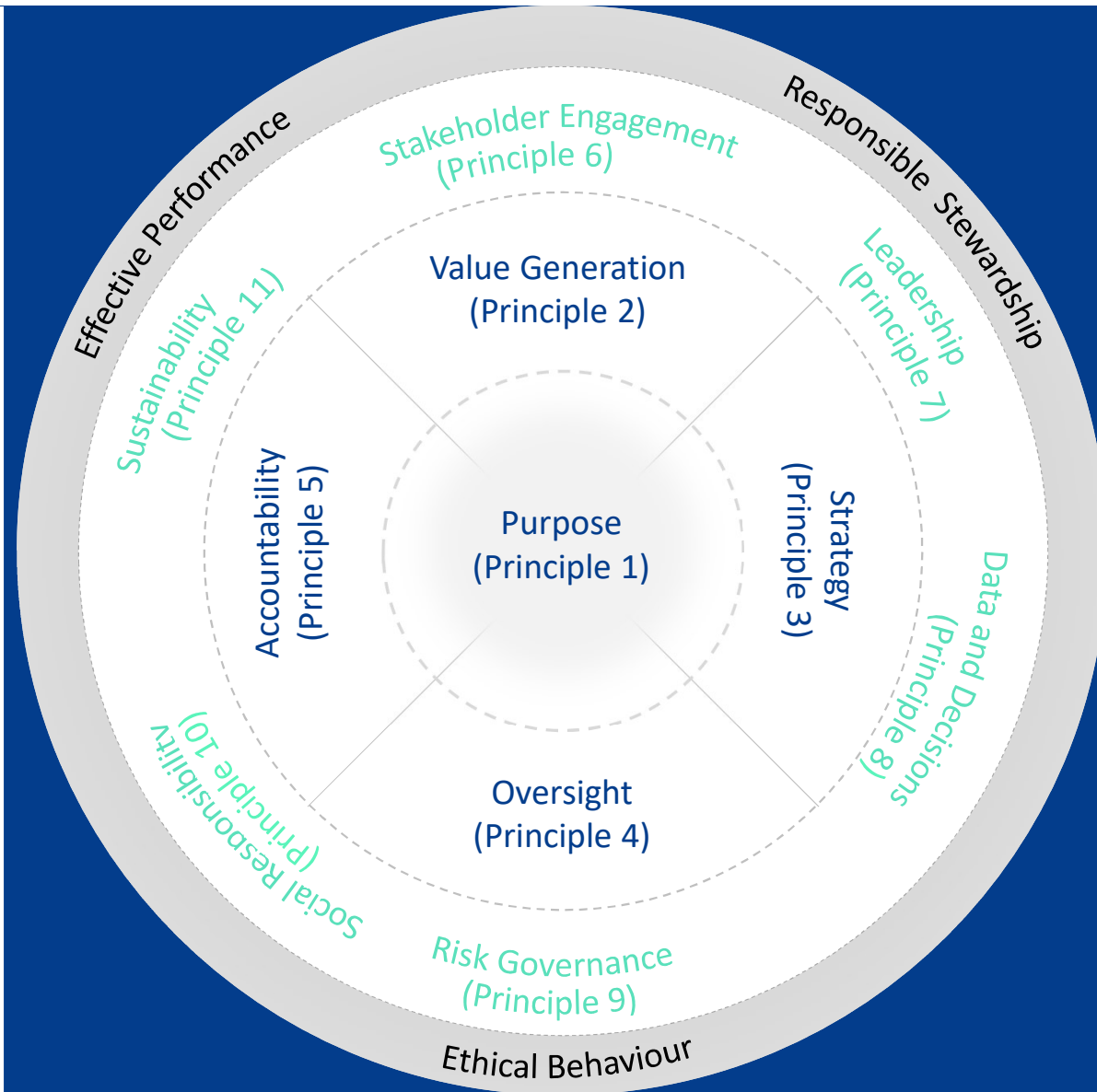
Legend:
- ■ Governance Outcomes
- ■ Enabling Governance Principles
- ■ Foundational Governance Principles

Annotated structure ISO DIS 37000

7 Principles

7.1 Purpose

7.2 Value generation

7.3 Strategy

7.4 Oversight

7.5 Accountability

7.6 Stakeholder engagement

7.7 Leadership

7.8 Data and decisions

7.9 Risk governance

7.10 Exercising social responsibility

7.11 Organizational viability and success over time

General structure of principle clauses:

- Name

- Definition

- Rationale

- Key aspects of practices

- Components of practices

  - 3 include dilemma examples

  - 1 includes Dilemma reconciliation

7.1
Purpose

The governing body should ensure that the organizational **purpose** expresses its intentions with respect to the organization's **stakeholders**, **society**, **commons** and natural **environment**. Furthermore, it should ensure that the organizational **values** and **culture** are aligned and deliver the organizational **purpose**.
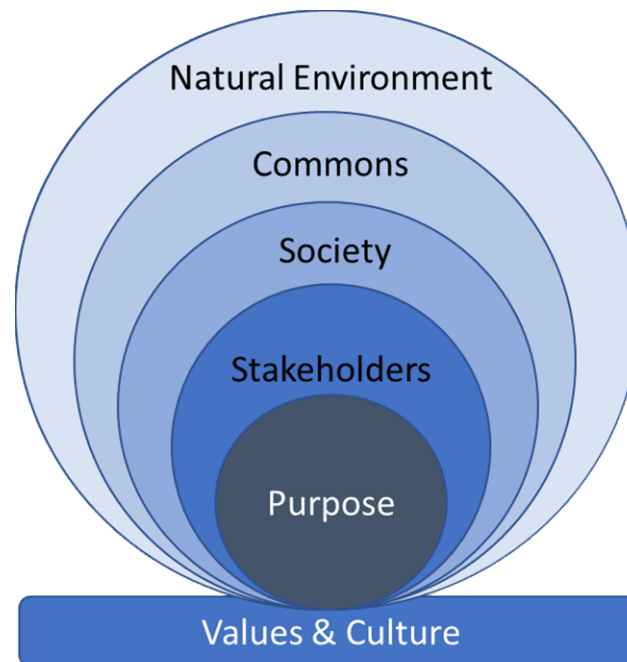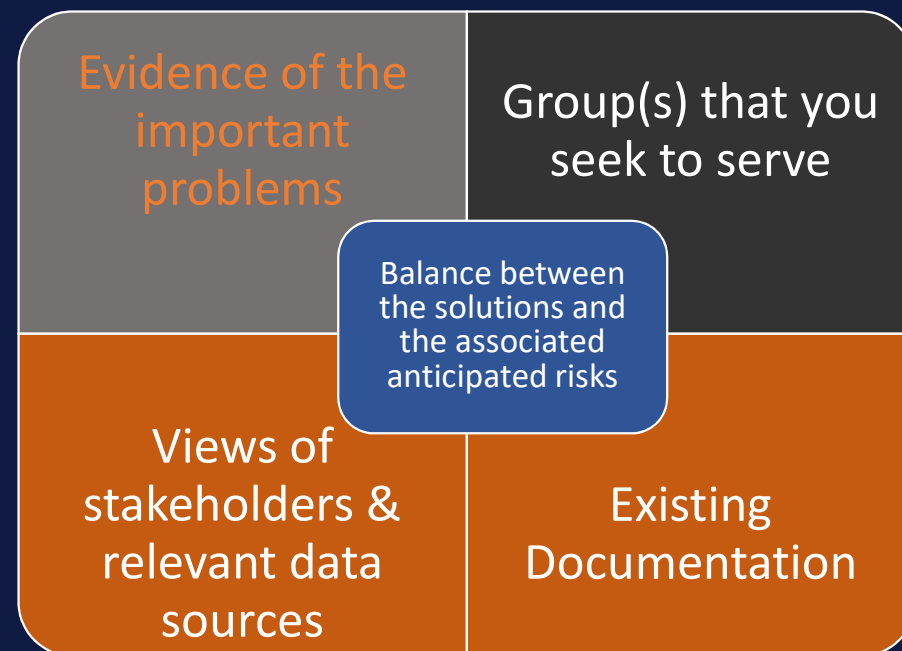

This first principle is also the central point of all the other principles in this guidance standard. All other principles are to be read in the context of the application of this principle.

7.1.3.1

Determine the organizational purpose

An organizational purpose reflects the core value the organization brings to others and aligns to its core identity. In determining the organizational purpose, the governing body should take into account:

Evidence of the important problems

Group(s) that you seek to serve

Balance between the solutions and the associated anticipated risks

Views of stakeholders & relevant data sources

Existing Documentation

7.2 Value generation

The governing body should determine the organization's overarching value model which defines, creates, delivers and sustains value over time.

The process for developing an organizational value model is depicted in Figure 3.
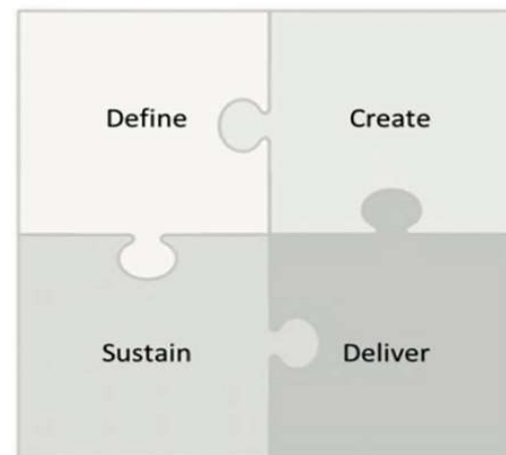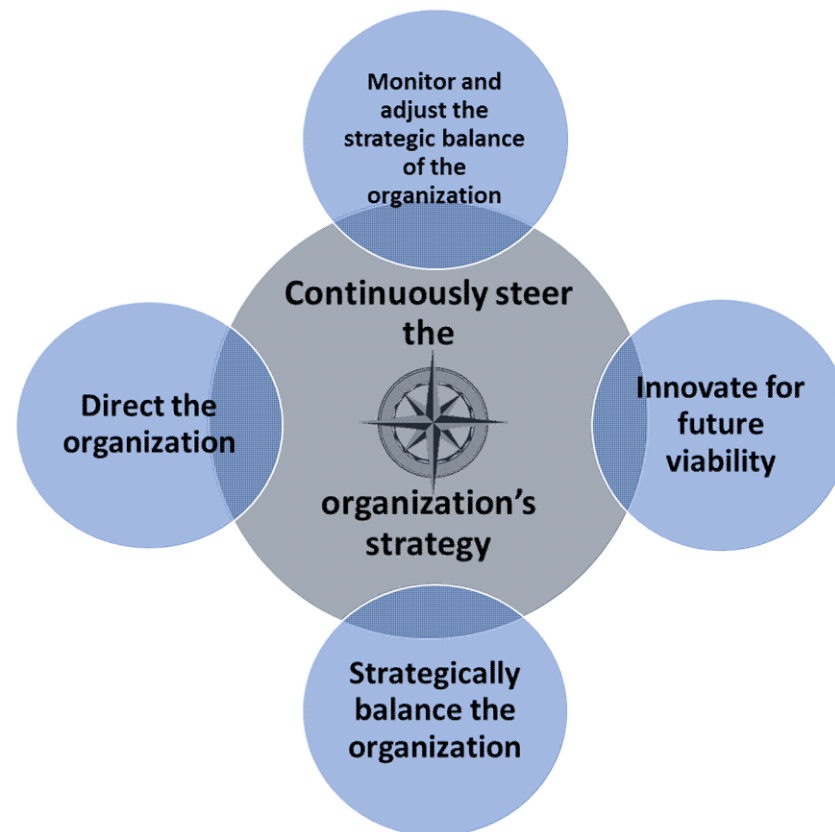

Figure 3 — Organizational Value Model Development Process

These points are further defined in the standard.

7.3
Strategy

The governing body is accountable for the organization's strategy. The governing body should direct the organization in accordance with its value generation model and dynamically steer the strategy.

7.3.3.5 Strategically balance the organization

The governing body strategically balances the organization, directly and indirectly, through:

Organizational ethos

Governance policies

Decisions reserved for the Governing Body
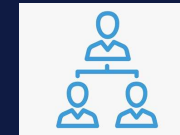
Succession planning

Governing body renewal

Executive manager and management team performance

Governing body evaluations

Outstanding
Excellent
Very Good
Satisfactory
Below Average

Compensation and incentives

Targets and KPI's

9 'levers' to steer and balance the organization

7.4 Oversight

The governing body should oversee the organization's performance and application of policies to ensure that it remains within governance parameters, including laws, rules and voluntary obligations.

Governing body competence

Organizational capability

Assurance processes

Oversight
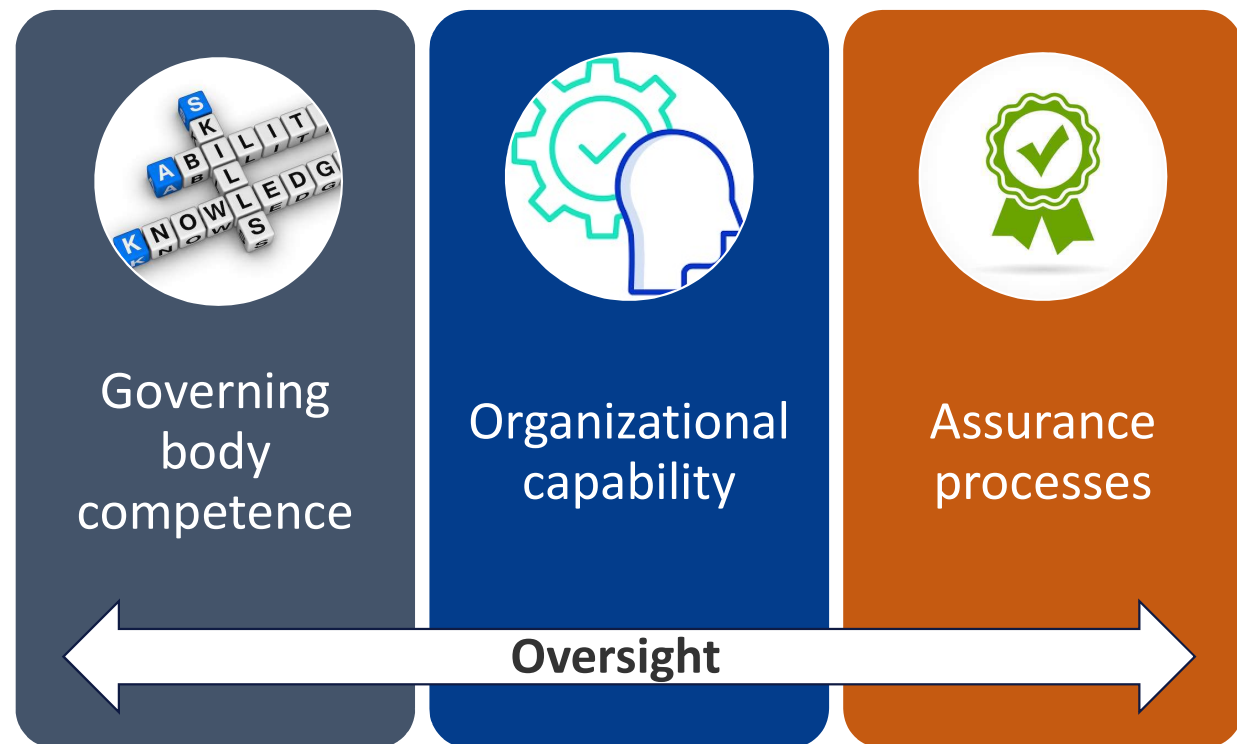
7.5 Accountability

The governing body should demonstrate its accountability for the organization and fulfil its duties in a manner which increases trust and transparency.

Accountability derives from the authority given to the governing body…

Directly (e.g. by owner stakeholders)

Indirectly (e.g. by society via the law or by social licence)

7.6 Stakeholder engagement

The governing body should ensure that the organization's stakeholders are appropriately engaged.

Demonstrating sound and mutually beneficial stakeholder relationships based on ethical and effective stakeholder engagement behaviours and practices, helps organizations create value over time.

7.7 Leadership

The governing body should lead the organization ethically and effectively.
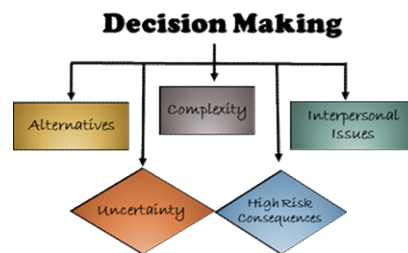
Leadership aligned in its decision-making

Behaviour consistent with values

Organisation seen to follow direction set

Dilemma – directing vs empowering…

7.8 Data and decisions

The governing body should recognize data as a valuable resource for decision-making by the organization and others.
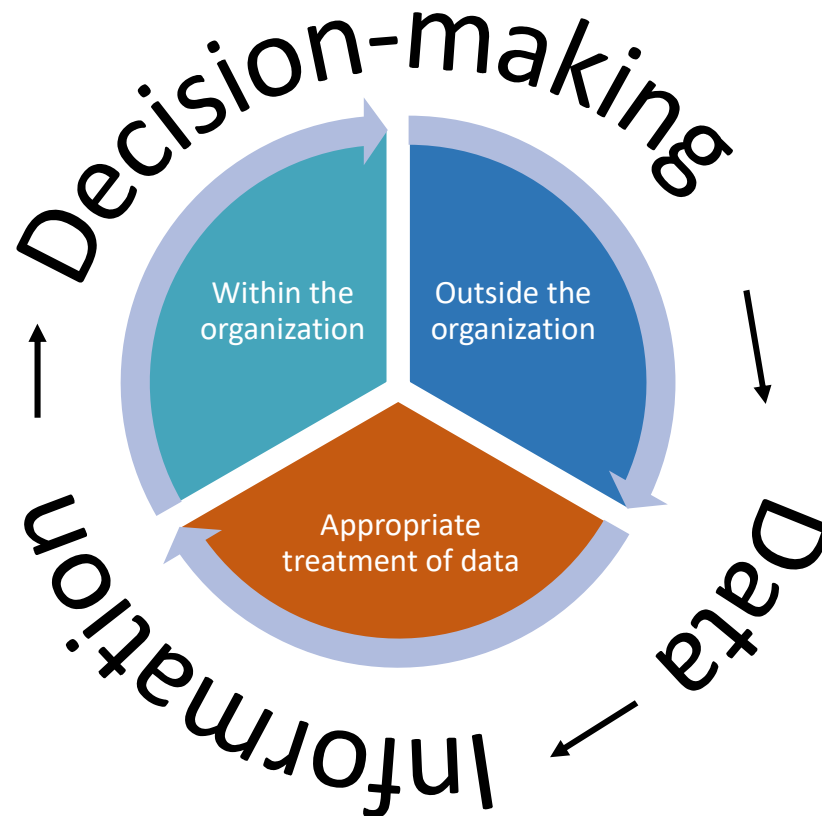
7.8.5
Dilemma reconciliation

A process of reconciliation between seemingly opposed alternatives leads governing bodies, and other decision-makers, to make more informed and robust decisions.

Train to Grow!

Dilemma Reconciliation

Cost reduction

Reconciling dilemmas includes: identifying the dilemma ● understanding opposing perspectives ● advantages and disadvantages of each ● reconciling the perspectives ● mapping an associated action plan.

**7.9
Risk
governance**

The governing body should lead the organization ethically and ensure that the organization identifies, assesses, treats, monitors and communicates the nature and extent of the uncertainties the organization faces in the achievement of its strategic objectives.

Not only past risk but also

future risk

Risk governance activities ● Risk integration ● Stakeholders and the organizational context ● Key aspects of practices

7.10 Exercising social responsibility

The governing body should ensure that decisions are transparent and aligned with broader societal expectations.

Transparency aligned with societal expectations

Acting consistently and transparently in line with organizational values, and stakeholder and societal expectations...proactively creating sustainable wellbeing.

7.11 Organizational viability and success over time

The governing body should ensure that the organization remains viable without compromising the ability of current and future generations to meet their needs.

Organization viability

Wider system relationships

Govern for organizational viability over Time

The governing body has a primary responsibility to ensure that the organization can continue to achieve its purpose over time. This requires balancing the health of social, natural environmental and economic systems.

Annotated structure ISO DIS 37000

Annex A (Informative) ← Governance Tools & Resources

A.1 Sustainability Practices

Bibliography

Clarifications / Questions

DRAFT INTERNATIONAL STANDARD
ISO/DIS 37002

Whistleblowing management systems — Guidelines

ICS: 03.100.02; 03.100.01; 03.100.70

This document is circulated as received from the committee secretariat.

Reference number
ISO/DIS 37002:2020(E)

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POLL

#4

Introduction

Whistleblowing is the act of reporting suspected wrongdoing, or risk of wrongdoing.

Introduction

The standard provides guidelines for:

Establishing

Implementing

Maintaining

Improving

a whistleblowing management system

Introduction

Outcomes:

a) Reporting

- encouraging and facilitating reporting of wrongdoing;

b) Personnel Support

- supporting and protecting whistleblowers and other persons involved;

c) Actioning

- ensuring reports of wrongdoing are dealt with in a proper and timely manner;

d) Improvement

- improving organizational culture, governance and the prevention of wrongdoing.

Introduction
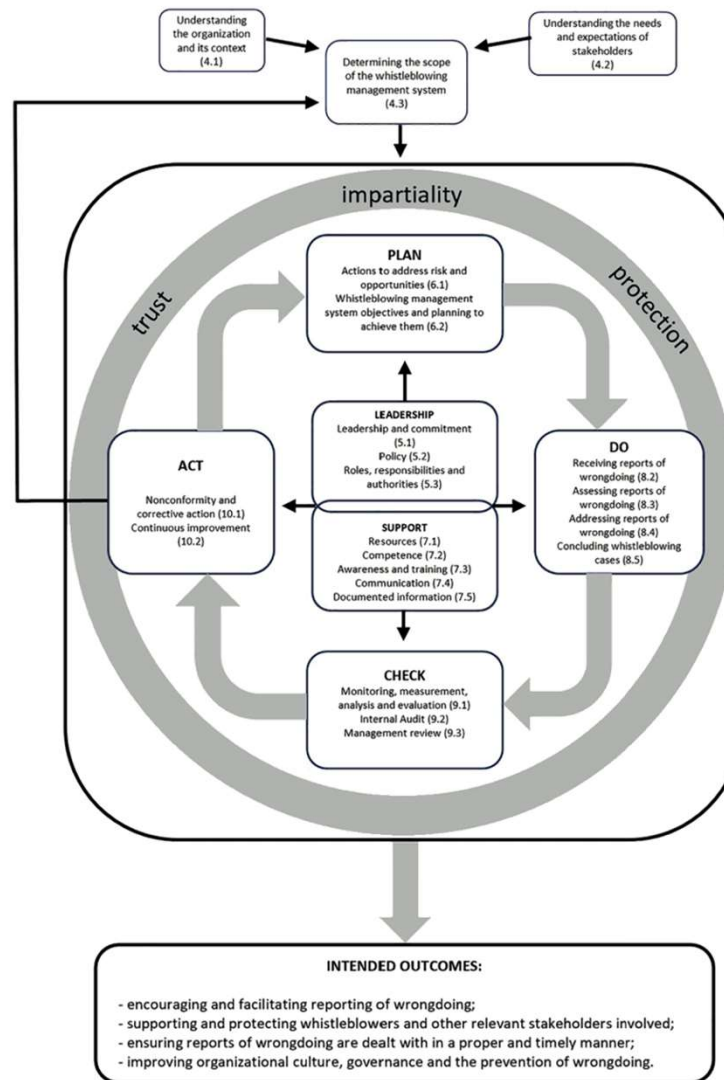
Figure 1 — Overview of a whistleblowing management system

Understanding the organization and its context (4.1)

Determining the scope of the whistleblowing management system (4.3)

Understanding the needs and expectations of stakeholders (4.2)

impartiality

trust

protection

PLAN
Actions to address risk and opportunities (6.1)
Whistleblowing management system objectives and planning to achieve them (6.2)

LEADERSHIP
Leadership and commitment (5.1)
Policy (5.2)
Roles, responsibilities and authorities (5.3)

ACT
Nonconformity and corrective action (10.1)
Continuous improvement (10.2)

SUPPORT
Resources (7.1)
Competence (7.2)
Awareness and training (7.3)
Communication (7.4)
Documented information (7.5)

DO
Receiving reports of wrongdoing (8.2)
Assessing reports of wrongdoing (8.3)
Addressing reports of wrongdoing (8.4)
Concluding whistleblowing cases (8.5)

CHECK
Monitoring, measurement, analysis and evaluation (9.1)
Internal Audit (9.2)
Management review (9.3)

OUTCOMES

a) encouraging and facilitating reporting of wrongdoing;

b) supporting and protecting whistleblowers and other persons involved;

c) ensuring reports of wrongdoing are dealt with in a proper and timely manner;

d) improving organizational culture, governance and the prevention of wrongdoing.

1
Scope

Whistleblowing management system that is based on the principles of trust, impartiality and protection in the following four steps:

a) receiving reports of wrongdoing;

b) assessing reports of wrongdoing;

c) addressing reports of wrongdoing;

d) concluding whistleblowing cases.

3
Terminology

3.9
whistleblower
person who reports wrongdoing (3.8)

3.10
whistleblowing
reporting of wrongdoing (3.8) by a whistleblower (3.9) who has reasonable grounds to believe that the information reported is true at the time of reporting

3.13
detrimental conduct
any threatened, proposed or actual, direct or indirect, act or omission that can result in harm to a whistleblower (3.9) or other relevant party, related to the reporting of wrongdoing (3.8)

4 Context of the organization

4.1 **Understanding the organization and its context**

4.2 **Understanding the needs and expectations of stakeholders**

4.3 **Determining the scope of the whistleblowing management system**

(organization to determine scope)

public and external stakeholder complaints

personnel and workplace grievances

compliance issues

integrity violations

detrimental conduct against whistleblower and other relevant stakeholder

other organizational processes and systems

whistleblowing management system
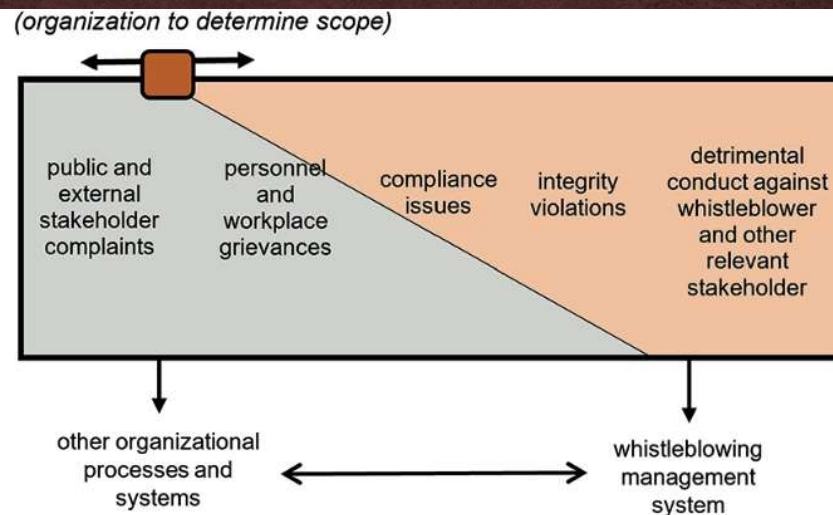
Figure 2 — Relationship between the whistleblowing management system and other organizational processes

4.4 **Whistleblowing management system**

5

Leadership

5.1 Leadership and commitment

5.1.1 Governing body

The governing body should:

Set objectives	Monitor top management	Approve the whistleblowing policy
Demonstrate commitment to the policy and system	Receive and review information about the content and operation of the WMS	Allocate and assign resources
	Exercise oversight	

Details are provided on how this can be done

**5
Leadership**

5.2 Policy
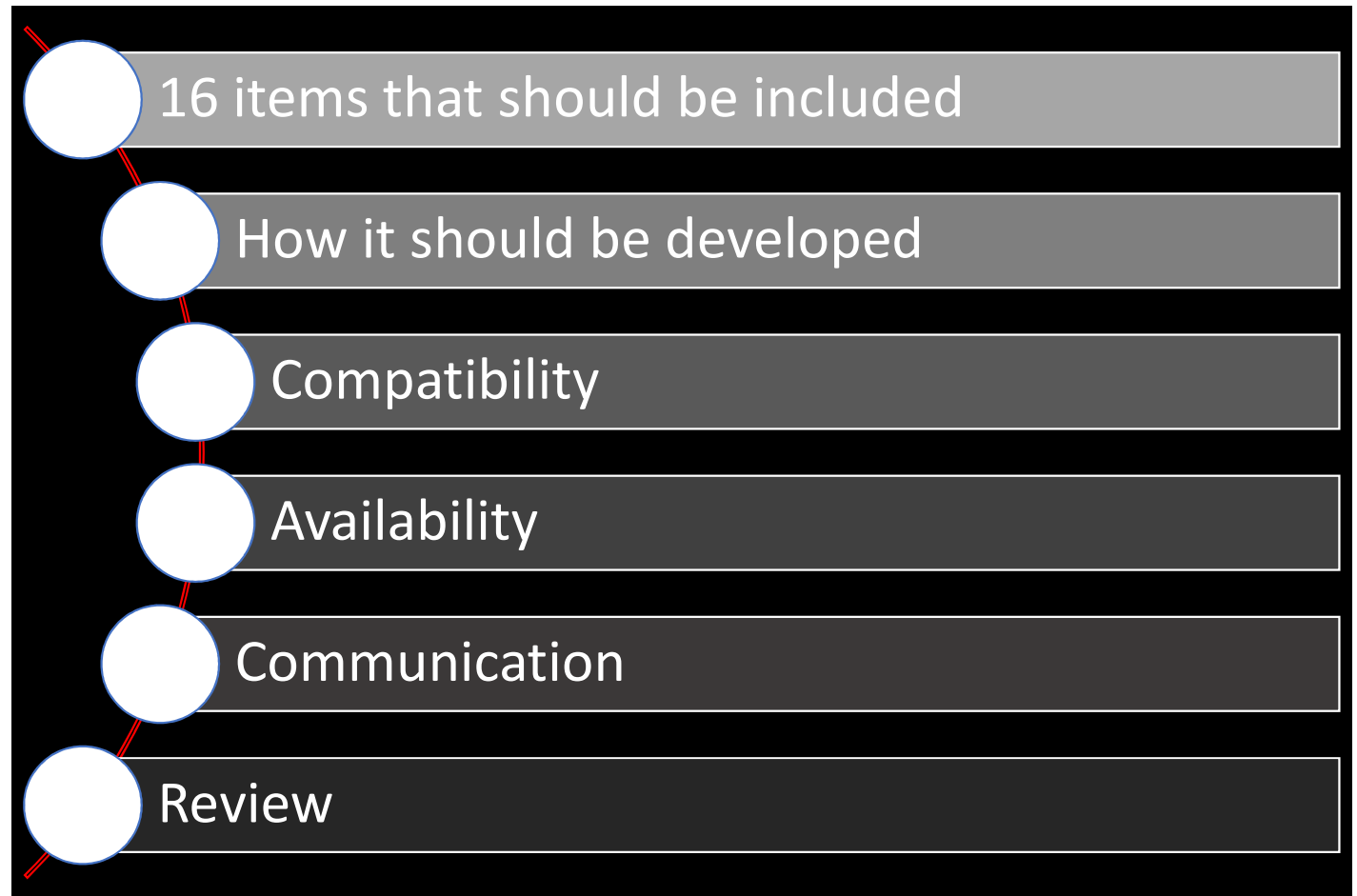
The standard provides the following guidelines on the policy:

- 16 items that should be included
- How it should be developed
- Compatibility
- Availability
- Communication
- Review

5 Leadership

5.3 Roles, responsibilities and authorities

- Responsibilities and authorities for relevant roles should be assigned and communicated within the organization (5.3.1)

- Specific responsibility and authority to be given to the whistleblowing management function (**5.3.1, 5.3.2)**

- Delegation of functions and decision-making, within and without the organization **(5.3.1, 5.3.3)**

NB: The governing body, top management and all other personnel are responsible for understanding, complying with and applying the whistleblowing management system guidance, as it relates to their role in the organization

6
Planning

6.1 Actions to address risks and opportunities

6.2 Whistleblowing management system objectives and planning to achieve them

NB: Objectives must be set at relevant functions and levels

6

Planning

6.1 Actions to address risks and opportunities

Give assurance that intended outcome(s) can be achieved

Facilitate reporting

Protect whistle-blowers and stakeholders

ensuring reports of wrongdoing are dealt with in a proper and timely manner;

— improving organizational culture, governance and the prevention of wrongdoing.

— prevent, or reduce, undesired effects;

— achieve continual improvement

7
Support for the whistleblowing management system

Support covers:

8 Operation

8.1 Operational planning and control

8.2 Receiving reports of wrongdoing

8.3 Assessing reports of wrongdoing

8.4 Addressing reports of wrongdoing

8.5 Concluding whistleblowing cases
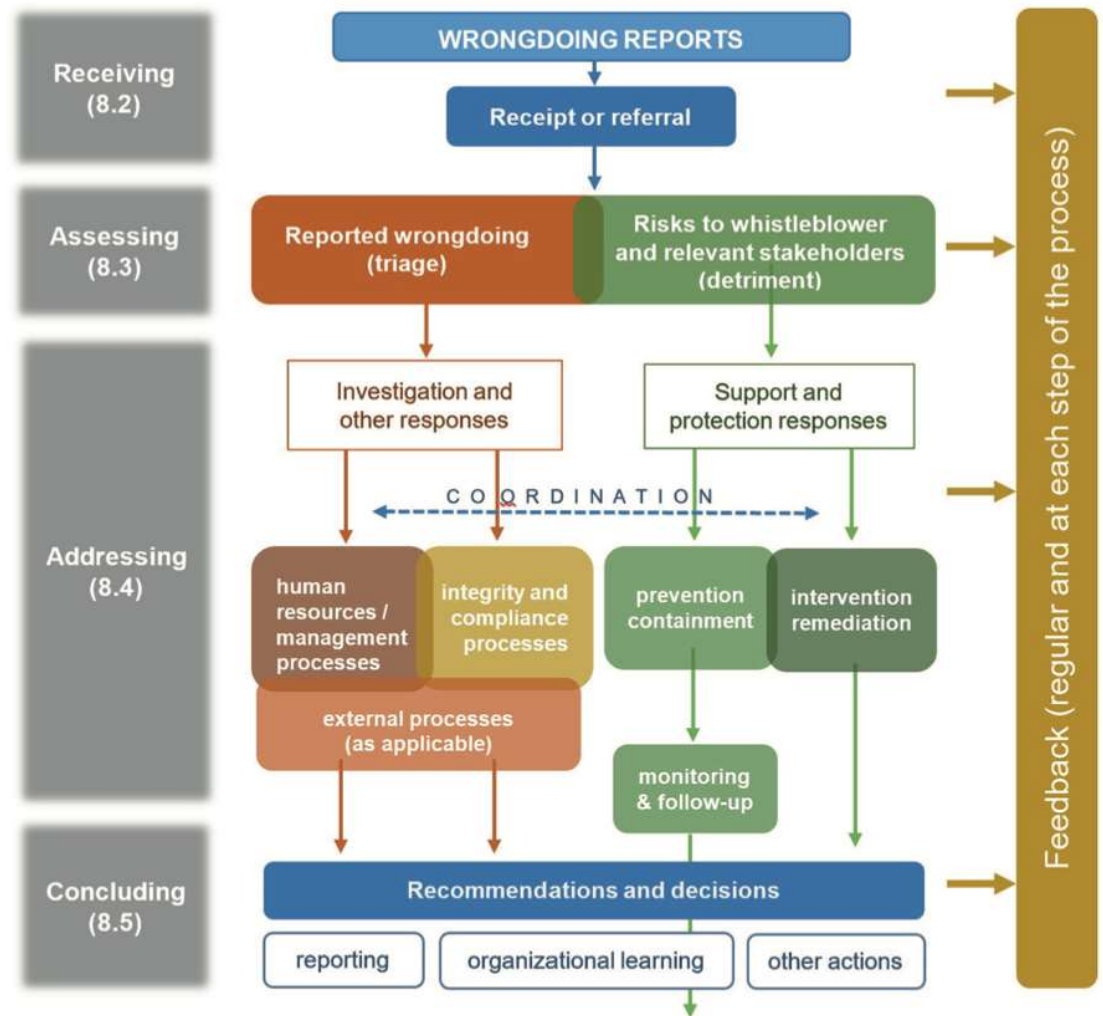
Figure 3 — Operational steps of the whistleblowing management system

9

Performance evaluation

9.1 Monitoring, measurement, analysis and evaluation

| 9.1.1 General | 9.1.2 Indicators for evaluation | 9.1.3 Information sources |
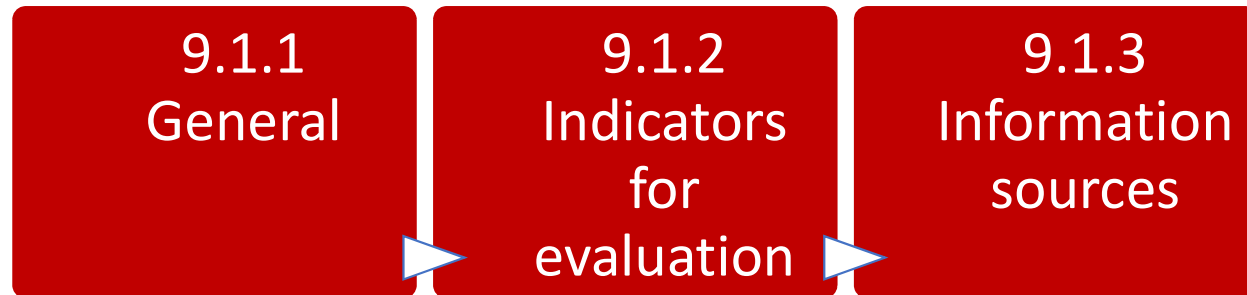
9.2 Internal audit

Conduct internal audits at planned intervals to assess whether the WMS:

a) conforms to:

b) is effectively implemented and maintained

the organization's requirements

the recommendations of this document;

9.3 Management review

Review the WMS at planned intervals to ensure:

- continuing suitability,

- adequacy

- effectiveness

Outputs should include:

- decisions related to continual improvement opportunities

- any changes to the whistleblowing management system.

10 Improvement

10.1 Nonconformity and corrective action

- Take action:
- to control, correct and deal with consequences
- as required to eliminate cause and prevent recurrence
- Review the effectiveness of action taken

10.2 Continual improvement

- Improve suitability, adequacy, effectiveness
- Changes should be carried out in a planned manner

CLARIFICATIONS

Questions

DEVELOPING STANDARDS

Part 5
How you can participate

Guidelines for submitting comments

Two Draft International Standards are available for review until **31st July 2020:**

- Governance of Organizations - https://tinyurl.com/ISODIS37000

- Whistleblowing Managements Systems - https://tinyurl.com/ISODIS37002

Comments can be submitted by completing the comment form and returning it via email (nadita.ramachala@ttbs.org.tt).

- Click the link to download the comment form. - https://tinyurl.com/DISCommentform

- Please use one comment form per draft standard.
  Deadline for comments: 31st July 2020.

Thematic questions to aid review:

1. Do you agree with the overall approach?

2. Is more guidance needed for any particular clause or principle, knowing that the standard is foundational and there will be more specific elements developed in the future?

3. Do you have any editorial feedback? Is there anything we could improve about the way it has been written, or communicated, to better assist target audience members to apply the organizational governance principles?

4. Are there any areas where we are out of step with guidelines that your organization or governing body follows, or any other areas of ambiguity in the standard?

5. Are there any cost implications or other barriers to adopting the guidelines?

The Comment Form

Date:	Position:
Name:	Phone No.:
Company:	Email address:

1	2	3	4
Clause No.	Comment	Suggested Change	Justification/Reason for change

The Comment Form

Date: 2020-07-13	Position: Manager
Name: Nadita Ramachala	Phone No.: 662-8827 Ext 2040
Company: Trinidad and Tobago Bureau of Standards	Email address: nadita.ramachala@ttbs.org.tt

1	2	3	4
Clause No.	Comment	Suggested Change	Justification/Reason for change
3.2.8	Can consideration be given to use "interested party" alongside stakeholder, or have stakeholder replaced? ISO 9001 expands the definition of stakeholders into interested parties as I recall the English word stakeholder cannot be translated into Spanish so the tem "interested party" is used instead.	Purpose: organization's reason to exist which guides, its performance objectives and provides clear context for daily decision-making by relevant stakeholders (3.3.1) Note 1 to entry: Interested party is also used to describe stakeholder. [Source: ISO 9000:2015,3.2.3]	In ISO 9001:2015. "interested party" is used to describe stakeholder.
3.2.8	Organizational purpose should be changed to "purpose" because the term "purpose" is used throughout the document e.g. clause 1, 3.1.1 and not "organizational purpose	Purpose: organization's reason to exist which guides, its performance objectives and provides clear context for daily decision-making by relevant stakeholders (3.3.1)	Organizational purpose should be changed to "purpose" because the term "purpose" is used throughout the document e.g. clause 1, 3.1.1 and not "organizational purpose"

94

POLL #5

THANK YOU!