Stakeholder consultation webinar

Draft International Standard: (ISO DIS 37000)
Guidance for the Governance of Organisations

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WFEO President 2017-19
ISO Liaison Representative
Technical Committee 309 (TC 309)
Working Group 1 – Governance of Organisations
11 July 2020

www.wfeo.org
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Engineering
for
Sustainable
Development
A key objective of the World Federation of Engineering Organizations is to **advance the UN SDGs through engineering**

We need to ensure that our members, the professional engineering institutions of the world, have good governance and that engineers who are their members promote good governance in their organizations.

*Engineering for Sustainable Development*
A key goal is to ensure that organisations in government, industry, education and civil society, including universities, professional engineering institutions and accreditation bodies have good governance – essential for sustainable development.
Engineering for Sustainable Development

International Standards Organisation (ISO)

- Independent, non-governmental organization
- Global network of national standards bodies with one member per country
- Not for profit: selling standards allows standards development in a neutral environment
- ISO provides a platform for developing practical tools through common understanding and cooperation with all stakeholders.

164* members

22,500* International Standards

100 new standards each month

249* technical committees
What is an international standard?

An International Standard is a document containing practical information and best practice. It often describes an agreed way of doing something or a solution to a global problem. It is developed by consensus.
Objective of ISO International Standards

• "4. Objective of Standardisation: The objective of documents is to specify clear and unambiguous provisions in order to help international trade and communication"

  Directives Part 2, 2016:6

• Global Relevance of ISO Standards

  ... ensure that the needs of developing countries are taken into account in ISO's technical work."

  Directives Part 1, 2017: foreword
ISO Standards that apply to each of the UN Sustainable Development Goals

see:  https://www.iso.org/sdgs.html
ISO TC 309 – Committed to Sustainable Development

This committee contributes with 4 standards to the following Sustainable Development Goals:

2 PUBLISHED ISO STANDARDS under the direct responsibility of ISO/TC 309
3 ISO STANDARDS UNDER DEVELOPMENT under the direct responsibility of ISO/TC 309
54 PARTICIPATING MEMBERS
22 OBSERVING MEMBERS

Engineering for Sustainable Development
ISO TC 309 – Standards published and in progress

- Working Group 1 (WG1) is responsible for the development of the governance standard, ISO 37000 Guidance for the Governance of Organizations. (Consultation in progress, closes August 2020)

- Working Group 2 (WG2) is responsible for developing an ISO Handbook in support of ISO 37001 Anti-bribery Management Systems. (Publication expected Dec 2020)

- Working Group 3 (WG3) is responsible for the development of the standard, ISO 37002 Whistleblowing Management Systems (Consultation in progress, closes August 2020)

- Working Group 4 (WG4) is responsible for the development of the standard, ISO 37301 Compliance Management Systems, Requirements for Guidance (Consultation closed June 2020)
ISO TC 309 – Category A Liaison Organisations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>ACCA</td>
<td>Association of Chartered Certified Accountants</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<tr>
<td>ecoDa</td>
<td>European Confederation of Directors Associations</td>
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<tr>
<td>FIEC</td>
<td>Fédération de l'Industrie Européenne de la Construction</td>
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<tr>
<td>IEEC</td>
<td>Institute of Electrical and Electronics Engineers, Inc.</td>
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<td>IFAC</td>
<td>International Federation of Accountants* (WG1 only)</td>
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<td>IFC</td>
<td>World Bank/IFC</td>
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<td>IIRC</td>
<td>International Integrated Reporting Council</td>
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<td>IPGA</td>
<td>International Policy Governance Association</td>
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<td>IRM</td>
<td>Institute of Risk Management</td>
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<td>ISACA</td>
<td>Information Systems Audit and Control Association</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<td>RIMS</td>
<td>RIMS – the risk management society</td>
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<tr>
<td>The CQI</td>
<td>Chartered Quality Institute</td>
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<td>WFEO</td>
<td>World Federation of Engineering Organizations</td>
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ISO TC 309 – WFEO Liaison Representatives

Since 2018, WFEO has been represented at the ISO Technical Committee TC 309 by:

• Eng. Kamel Ayadi, Past Chair Anti Corruption Committee, Past President WFEO (2011-2013)
• Eng. Martin Manuwha, Pats Chair Anti Corruption Committee
• Dr Marlene Kanga Past President WFEO (2017-2019)
  • Member Working Group 1 – ISO 37000 Guidance for the Governance of Organizations
  • Member Working Group 2 – Guidance for ISO37001 Anti Bribery Standard
Governance

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

ISO TC 309 Strategic Plan, March 2018
Need for ISO 37000 Guidance for the Governance of Organisations

- Many countries have few relevant laws, codes and national standards, thereby making governance of organisations weaker
- The Corruption Perception Index confirms that weak organisation governance is correlated with corruption
- The Ease of Doing Business Survey shows that the index is higher in countries with high levels of governance and compliance
- The ISO 37000 Standard on the Guidance for the Governance of Organisations will therefore assist all types of organisations to improve their processes, policies and procedures for improved performance and outcomes, essential for sustainable development
Transparency International Corruption Perception Index 2019

- Corruption is highly prevalent in many countries around the world
- ISO 37000 is highly relevant to combating corruption

ISO TC 309 provides wide consensus compared to G20/OECD

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
Governance architecture
Structure of ISO 37000

1. INTRODUCTION
2. NORMATIVE REFERENCES
3. TERMS AND CONDITIONS
4. CONTEXT OF THE STANDARD
5. THE GOVERNING BODY
6. FRAMEWORK FOR GOVERNANCE
7. PRINCIPLES FOR GOVERNANCE
Structure of ISO 37000 (1)

1. INTRODUCTION

• Why

• What it is about
  • Define key principles and recommends best practices to guide governing body to meet responsibilities

• For whom – governing bodies as well as:
  • Those who govern organisations
  • Management and staff
  • Governance practitioners
  • Other stakeholders

• Benefits across countries and sectors

• Confidence in decisions

• Benefits of good governance – organisation, stakeholder etc.

2. NORMATIVE REFERENCES – There are none
Structure of ISO 37000 (2)

3. TERMS AND CONDITIONS

• Governance of organisations

• Principles and outcomes – including organisational purpose, strategy, risk appetite

• Roles – external and internal to the organisation
  • Includes social responsibility, commitment to sustainable development, ethical behaviour, compliance with laws

• Definitions important because this is a:
  • Foundational standard
  • Needs to be consistent with other standards on governance
  • Ensures consistency across all types of organisation
Structure of ISO 37000 (3)

4. CONTEXT OF THE STANDARD

- 4.1 Need for guidance
- 4.2 Governance of organisations
  
  “..system by which an organisation is directed, overseen and accountable for achieving its defined purpose”
  
  - Thread of governance
  - Governance and management – distinct, necessary and complementary roles

- 4.3 Governance and Stakeholders
Structure of ISO 37000 (4)

5. THE GOVERNING BODY

• 5.1 The Governing Body

• 5.1 Composition and structure

“The governing body is the person or group of people who are ultimately accountable for the whole organisation”

Includes competence, independence, diversity, integrity, capacity

• 5.2 Composition and Structure

• 5.2 Competence
Structure of ISO 37000 (5)

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 responsibilities
  - 7.11 Organisational viability and success over time

General structure of clauses:
- Name
- Definition
- Key aspects of practices
- Components of practices
- Dilemma example (3 of the principles)
- Dilemma reconciliation (1 principle)

*Engineering for Sustainable Development*
Framework of ISO 37000 (6)

Where the colours represent:
- Governance Outcomes
- Enabling Governance Principles
- Foundational Governance Principles

*Engineering for Sustainable Development*
ISO DIS 37000 7.1 Purpose

- The governing body manifests the organizational purpose by:
- Establishing how the organization generates value over time (Value generation);
- Directing the organization and steering its strategy (Strategy);
- Oversight to ensure that it achieves its objectives (Oversight);
- Demonstrates accountability to stakeholders (Accountability).

Supported by:
- Engaging stakeholders appropriately (Stakeholder engagement);
- Leading ethically and effectively (Leadership);
- Using data as a resource for decisions (Data and decisions);
- Governing risk (Risk governance);
- Decisions align with societal expectations (Social responsibility);
- Ensuring viable and sustainable organisation (viability & success) over time).

Outcomes:
- Effective performance,
- Responsible stewardship, and
- Ethical behaviour in accordance with its organizational values
ISO DIS 37000 7.8 Data and Decisions Dilemmas

- Provides the rational and principles for use of data in decisions
- Discusses the need for the responsible use of data
- For example, technology now allows the use of personal data on an unprecedented scale which will add an operational obligation relating to privacy and other constraints if this data is collected and used by the organization.
- In assessing the appropriate level of security, it is necessary to assess the levels of risk associated with loss of data, incorrect dissemination and so on.
ISO DIS 37000 7.9 Risks and Dilemma

• All organisations identify and manage risks in their operations

• In governing risk, governing bodies encounter numerous dilemmas.

• For example, an organisation may take “purposeful risks” to take advantage of the underlying opportunities which may be necessary for the viability of the organization.

• Governing bodies should identify the areas where the organization needs to be cautious, e.g. to manage personnel safety, so as to enable it to be overall sufficiently courageous.
ISO DIS 37000 – for all organisations

• The Standard is based on Principles as shown in the Framework in Section 6.

• The principles enable all types of organisations around the world to implement these for good governance – corporate, NGOs, For Profit and Not for Profit, Government and Private Sector etc.

• It is a “compass for good governance” but it does not prescribe how this is to be achieved.

• Processes, systems, structures and procedures would need to be developed by the organisation as part of the implementation.

• Organisations can implement the standard with reference to their culture and values.

• It is not compulsory for organisations to implement the standard but doing so will strengthen governance and improve performance.

• Certification is not proposed for this standard but certifications is achievable for related standards.
ISO DIS 37000 Consultation web page

- The consultation web page is at:

You will find:

- A copy of the draft standard ISO DIS 37000
- A copy of this presentation
- A recording of this webinar
- A feedback form
- A survey
ISO DIS 37000 Commenting Form

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<th>Page Number (e.g. 17)</th>
<th>Line number (e.g. 3.1)</th>
<th>Comments</th>
<th>Suggested change</th>
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</table>

Date: 1 July 2020
Document: ISO DIS 37000
Comments due no later than 15th August 2020
Project: TC309 WG1

WFEO Member Comment Form
Draft International Standard Governance of Organisations DIS 37000

Name: Institution/Organisation: Country
ISO DIS 37000 Questions to consider

• How useful will the Standard be in your organisation?
• Is the standard relevant to the context of your operations?
• What are the benefits of implementing such a standard?
• Will the Standard be easy to implement? What are the potential costs and barriers?
• Are there any external factors that will affect implementation e.g. legal, regulatory, cultural?
• What additional areas should the standard address?
ISO DIS 37000 Comments

• Please provide comments using the form on the WFEO website

• By 15 August 2020.

• Send to secretariat@wfeo.org

• Please provide clause number or line number and describe the issue on the form

• Comments will be collated and sent to the ISO TC 309 Secretariat with acknowledgement of the source of the comment

• We will also be sending you a survey after the webinar

• Thank you in anticipation!
Engineering for Sustainable Development

- Participation
- Influence
- Representation
The world’s engineers united in rising to the world’s challenges. For a better, sustainable world.

The World Federation of Engineering Organizations
Fédération Mondiale des Organisations d’Ingénieurs
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