



# The Ethic Intelligence Certification of Anti-Corruption Systems

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# THE STAGES OF THE CERTIFICATION PROCESS

# The certification process in a nutshell



## Stage 1 : Validation

- Auditor defines the methodology with Ethic Intelligence

## Stage 2 : Audit

## Stage 3 : Audit report is forwarded to the Ethics Committee

## Stage 4 : Decision

- The Ethics Committee decides whether to grant the certificate, which, if granted has a validity of two years

## Stage 5 : Display of the certificate on the client's website (obligatory)

- Ethic Intelligence creates an internet link between the certificate and the « Ethic Intelligence Certificate » logo

## Stage 6 : Quality control (random)

- The *Basel Institute on Governance* conducts a verification audit : 1 verification audit for 10 certifications

# The Basel Institute on Governance



- Chaired by Mark Pieth
- Has validated the Ethic Intelligence process
- Conducts verification audits
- Is a partner on reviewing best practice

# The Members of the Ethics Committee



1. **François Vincke (Belgium)**
  - Lawyer admitted to the Brussels bar
  - Chairman of the ICC Anti-Corruption Commission
  - Representative of ETHIC Intelligence in Belgium
2. **Maarten de Jong (Netherlands)**
  - Founder and former Vice President of Europol
  - Founder and former Head of the World Bank's Department of Integrity
  - Representative of ETHIC Intelligence in the Netherlands
3. **Jean-Pierre Méan (Switzerland)**
  - Lawyer admitted to the bar of Montreal and Zurich
  - Former General Counsel and Chief Compliance Officer of SGS
  - Former Chief Compliance Officer of the EBRD Compliance Department
  - Representative of ETHIC Intelligence in Switzerland
4. **Philippe Montigny (France)**
  - Former Member of the Cabinet of the OECD Secretary General during the negotiation of the OECD Anti-Corruption Convention (1991-1997)
  - Chair of the Anti-Corruption Commission of the French Council of Investors in Africa (CIAN)
  - Founder and President of ETHIC Intelligence
  - Chair of the Ethics Committee

# Tasks of the Ethics Committee



- Reviews the certification files
- Grants the certificates
- Issues recommendations to certified entities
- Works on the continuous improvement of the process

# The ETHIC Intelligence agencies



## ➤ Four agencies :

- France
- Netherlands
- Belgium
- Switzerland

## ➤ Services :

- Training and counselling in the field of integrity
- Conducting or supervising certification audits
- Validation of the methodology
- Promoting certification



# The ETHIC Intelligence Certificates



# Certifiable Entities



The certification can be tailored to specific needs :

- ✓ Undertaking
- ✓ Subsidiary
- ✓ Group
- ✓ Business Unit (group of subsidiaries)
- ✓ Consortium
- ✓ Contract
- ✓ Procedure

➤ Any entity which can be circumscribed can be certified

# All Certificates



## 1. Pre-condition :

- Letter of intent by management
  - a. Purpose of the certificate
  - b. Commitment to cooperate

## 2. Condition of execution

- Experts approved by ETHIC Intelligence

## 3. Validity

- Two years
- Renewable

# The Anti-Corruption Certificates



<b>Vigilant</b>	The entity has a training program for exposed and concerned staff
<b>Active</b>	The corruption risk has been evaluated and the program has been considered appropriate in view of that risk
<b>Conform</b>	The efficiency of the program has been tested
<b>Specific</b>	A program has been established and evaluated for a specific purpose (tender, contract, etc.)

# The Vigilant Certificate



## Object :

Certify that the entity has a monitoring system based on the training of exposed and concerned staff

## Condition 1 :

- Identification of staff being monitored and those requiring anti-corruption monitoring :

*e.g.:*

- 90 % Management Board:
- 70 % Sales Staff
- 50 % Legal
- 80 % Control and Audit

## Condition 2 :

Evaluation of the training program

- Content
- How adapted to trained population
- Duration

# The Vigilant Certificate (cont'd)



## Renewal

### Condition 3 :

- Identification of new staff requiring anti-corruption monitoring

### Condition 4 :

- Training of new staff

### Condition 5 :

- Refresher training for trained staff

# The Active AC Certificate



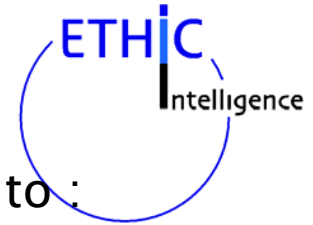
## Purpose :

Certify that the entity's program has been evaluated and considered appropriate in view of the risk

## Condition 1 : Evaluation of the corruption risk

- According to the percentage of turnover with :
  - the public sector(government, administration, public agencies, etc.),
  - the private sector/ business (B2B),
  - the private sector/consumers (B2C).
- Risk by country of establishment or where goods are supplied or services rendered;
- Risk by sector of activity as defined by *Transparency international* ;

# The Active Certificate (cont'd)



- Risk of competitors engaging into corruption according to :
  - their country of origin,
  - the countries of their relevant subsidiaries.
- Risk of third parties (partners, agents, intermediaries etc.) according to :
  - their activity,
  - their country of origin,
  - the existence and quality of the due diligence.
- Risk according to the contractual framework:
  - anti-corruption clauses,
  - Level of signing officer(s),
  - payment terms.
- **This information is recorded in a synthetic report and rated on a 1 to 10 scale.**

# The Active Certificate (cont'd)



## Condition 2 : Evaluation of the anti-corruption program

- **information** : strategic documents, ethical charter, code of conduct , etc.
  - **training** : training given (generic, specific by sector or country, etc.), seminars, conferences outside the entity etc.
  - **tools** : reference manual, staff guide, ethics or compliance committee, hot-line, etc.
  - **control** : prior control, control ex-post, internal audit, compliance audit, whistleblowing, etc.
  - **third parties compliance** :due diligence, contractual anti-corruption clauses, etc.
- **This information is recorded in a synthetic report and rated on a 1 to 10 scale.**



# The Active Certificat Active AC (con'd)



## Condition 3 : Evaluation of the program's adequacy in view of the risk

- **exemplary (5/5)** : the program is considered as exemplary according to international best practices,
  - **satisfactory (4/5)** : the program is in line with international best practices but certain points need improvement,
  - **adequate (3/5)** : the program needs to be either updated, or reinforced to be in line with international best practices,
  - **unsatisfactory (2/5)** : the program is lacking and needs to be reinforced in order to be in line with international best practices
  - **unsuitable (1/5)** : the program is incomplete or even inexistant .
- 
- In case of an unsatisfactory or unsuitable rating the entity has one year to update condition 2
  - Renewal after two years according to a similar procedure

# The Conform Certificate



## Purpose :

Certify that the efficiency of the entity's program has been tested (and not that the the entity is corruption free)

## Condition 1 : definition of the scope and and of the evaluation methodology

- Definition of the scope
  - subsidiary, business unit,
  - contract, process.
- Definition of the aspect of the program to be evaluated, e.g. :
  - the integration of the corruption risk in the entity's development strategy,
  - the quality of the program's implementation,
  - the quality of the control of the corruption risk.

# The Conform Certificate (cont'd)



## Condition 2 : methodology for the evaluation of the efficiency of the program

### Documentary checks :

- anti-corruption program,
- contractual documents,
- Books and accounting vouchers

### Interviews in the entity :

- Executive Board,
- sales staff,
- accounting department,
- legal department,
- auditors

# The Conform Certificate (cont'd)



## Condition 3 : Evaluation report on the efficiency of the anti-corruption program

- Written and verbal communication of the Report to the entity.

## Condition 4 : qualification of the experts

- The evaluation must be conducted by experts approved by ETHIC Intelligence. The regular auditors of the entity shall be consulted but shall not take part in the evaluation.

## Renewal : Same procedure

# The Specific Certificate



## Purpose :

Certify that the unit has implemented an ad-hoc program and that this program has been evaluated

## Condition 1 : definition of the scope

- Contract, process
- Definition of the program to be evaluated according to the four actions :
  - Inform
  - Train
  - Provide tools
  - Control

# The Specific Certificate (cont'd)



## Condition 2 : Evaluation of the effective implementation of the anti-corruption program

### Documentary check:

- anti-corruption program,
- contractual documents,
- books and accounting vouchers

### Interviews in the unit :

- Manager,
- Staff,
- Partners : subcontractors, intermediaries...
- ...



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