



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



Vigilant	The entity has a training program for exposed and concerned staff
Active	The corruption risk has been evaluated and the program has been considered appropriate in view of that risk
Conform	The efficiency of the program has been tested
Specific	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



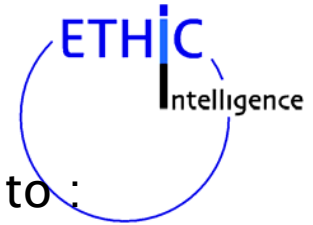
Purpose :

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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