



Stakeholder consultation webinar

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

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Technical Committee 309 (TC 309)
Working Group 1 – Governance of Organisations
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Engineering for **Sustainable Development**



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Colombia
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Cuba
Cyprus
Czech Republic

Ecuador
Egypt
Ethiopia
Fiji
France
Germany
Ghana
Greece
Honduras
Hong Kong, China
Hungary
India
Iraq
Italy
Ivory Coast
Japan
Jordan
Kenya
Korea
Kuwait

Lebanon
Libya
Macedonia (FYROM)
Madagascar
Malawi
Malaysia
Malta
Mauritius
Mexico
Moldavia
Mongolia
Montenegro
Morocco
Nepal
New Zealand
Nigeria
Pakistan
Palestine
Peru
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Sierra Leone
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sudan
Switzerland
Syria
Tanzania

The Philippines
Tunisia
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Yemen
Zambia
Zimbabwe



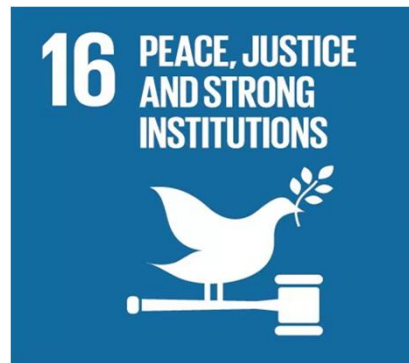
Engineering and the UN Sustainable Development Goals



- 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



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

22500*
International Standards

100
new standards each month

249*
technical committees



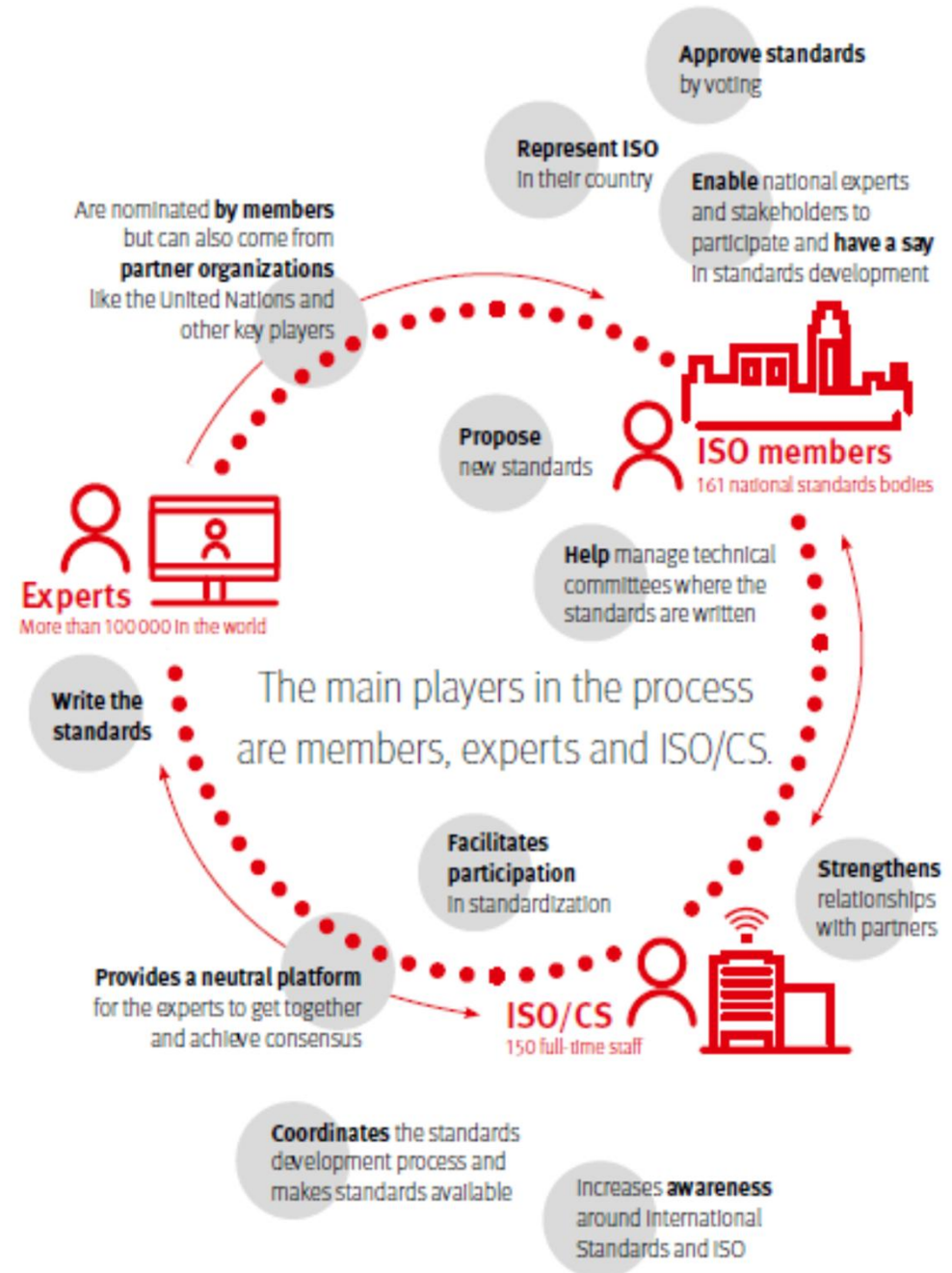
What is an international standard ?

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

Engineering for Sustainable Development



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

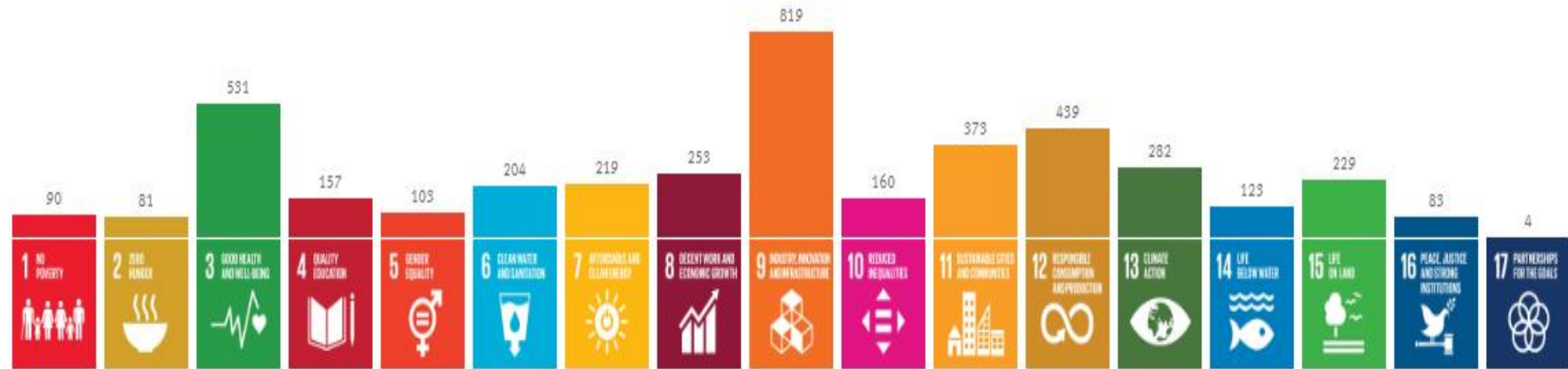
- **Global Relevance of ISO Standards**

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

Directives Part1,2017: foreword



International Standards Organisation (ISO)



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



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

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



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



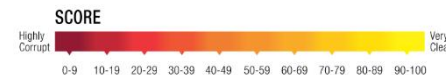
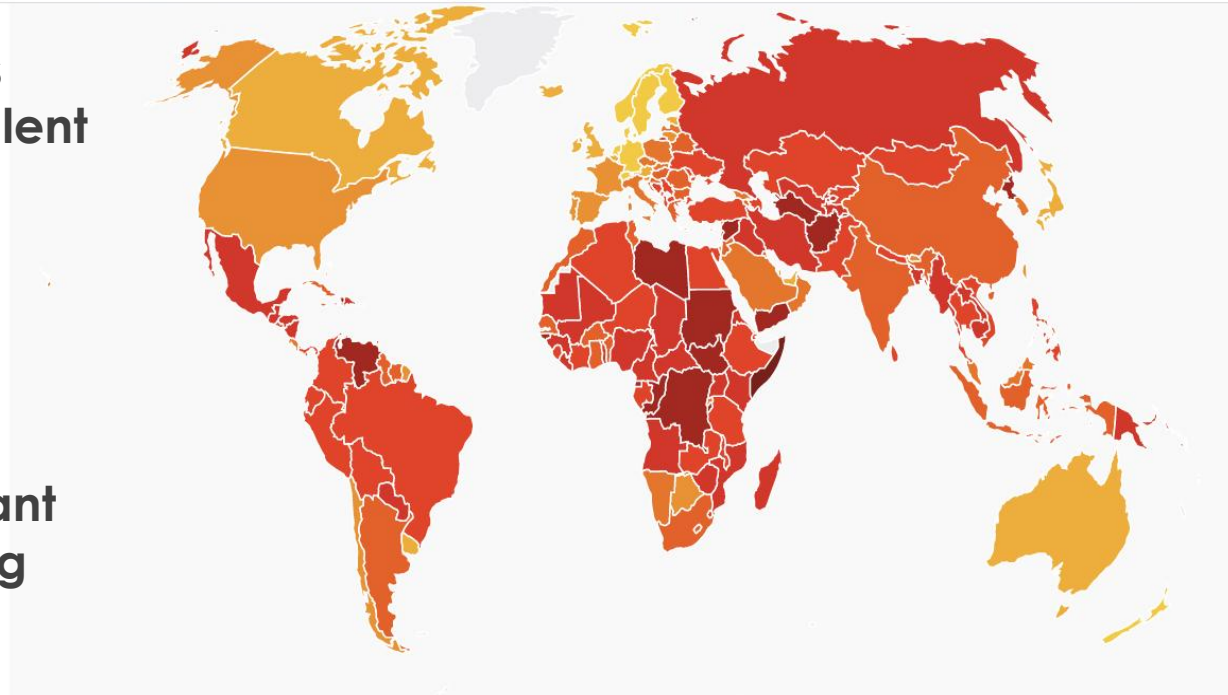
Need for ISO 37000 Guidance for the Governance of Organisations

- 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

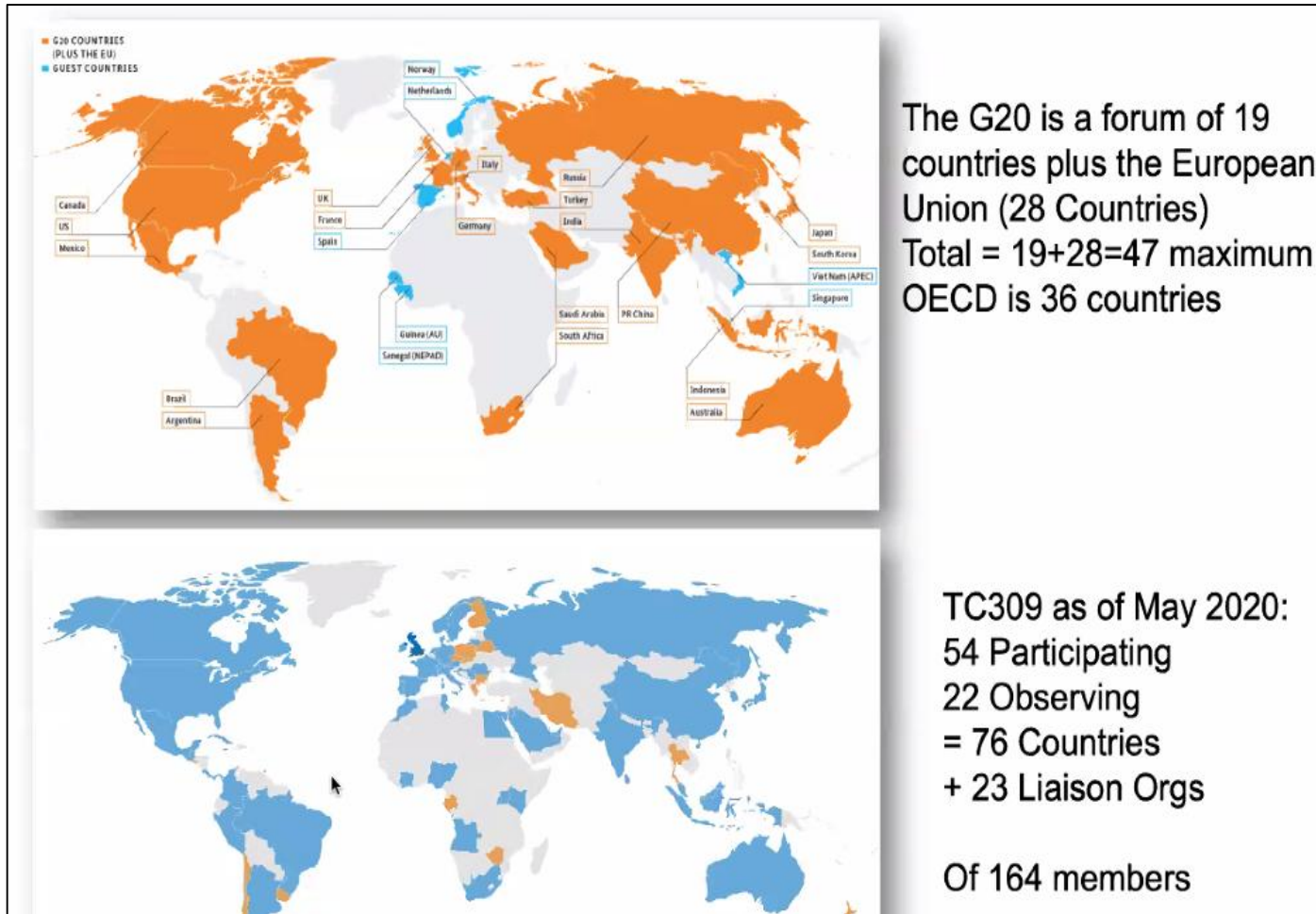
- Corruption is highly prevalent in many countries around the world
- ISO 37000 is highly relevant to combating corruption



See: Transparency International, <https://www.transparency.org/en/cpi#>

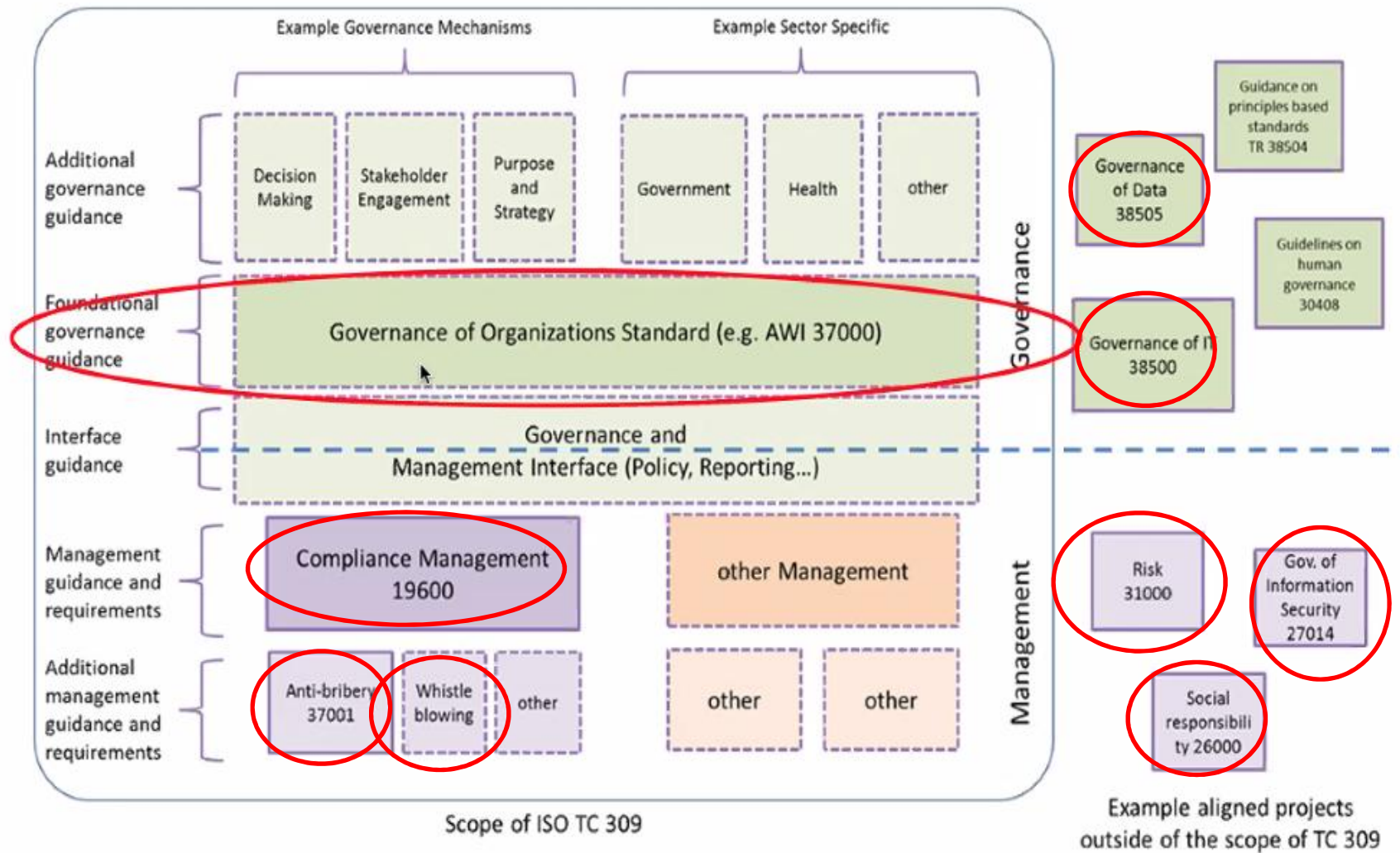


ISO TC 309 provides wide consensus compared to G20/OECD





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

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ISO 37000:2020(E)

ISO TC 309/WG1

Secretariat: BSI

Guidance for the governance of organizations

37000 DIS

Warning for DIS

This document is not an ISO International Standard. It is distributed for review and comment. It is subject to change without notice and may not be referred to as an International Standard.

Recipients of this draft are invited to submit, with their comments, notification of any relevant patent rights of which they are aware and to provide supporting documentation.



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

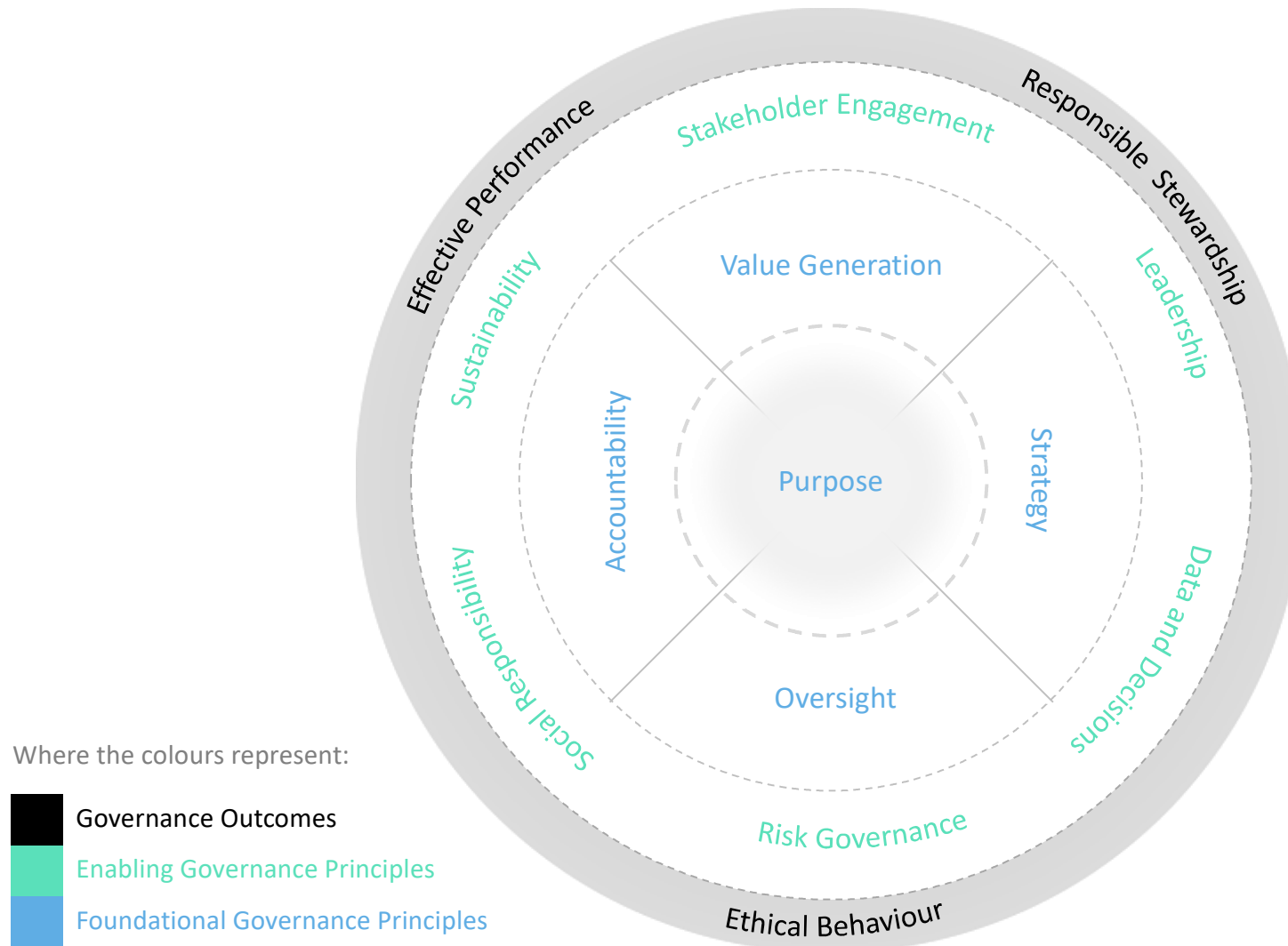
- 7.1 Purpose
- 7.2 Value Generation
- 7.3 Strategy
- 7.4 Oversight
- 7.5 Accountability
- 7.6 Stakeholder engagement
- 7.7 Leadership
- 7.8 Data and Decisions
- 7.9 Risk governance
- 7.10 Exercising social responsibilities
- 7.11 Organisational viability and success over time

General structure of clauses:

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



Framework of ISO 37000 (6)



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:

<http://www.wfeo.org/wfeo-consultation-on-draft-international-standard-iso37000-governance-of-organisations/>

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

WFEO Stakeholder Feedback on ISO DIS 37000 Standard

WFEO Stakeholder Feedback on ISO DIS 37000 Standard

1. What was your first reaction to the ISO DIS 37000 Standard?

☐ Very positive

☐ Negative

☐ Positive

☐ Very negative

☐ Neutral

2. Do you think the ISO DIS 37000 Standard will be a useful resource?

Feedback Survey available from
consultation web page



ISO DIS 37000 Commenting Form

WFEO Member Comment Form Draft International Standard Governance of Organisations DIS 37000				Date: 1 July 2020	Document: ISO DIS 37000 Comments due no later than 15 th August 2020	Project: TC309 WG1
Name: Institution/Organisation: Country						
Page Number	Line number (e.g. 17)	Clause/ Sub clause (e.g. 3.1)	Paragraph/ Figure/ Table/ (e.g. Table 1)	Comments	Suggested change	



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.



WFEO / FMOI



**The World Federation of Engineering
Organizations**

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