



Guide for external assessors

1. Introduction

The standard sets out the principles that signatories of the declaration will be expected to meet, together with indicators and suggestions for evidence that will demonstrate that the standard is being met. This note, which should be read in conjunction with the standard, is intended to provide guidance to assessors.

Organisations which have committed themselves to upholding the declaration of principles will want to demonstrate that they are meeting the indicators set out in the standard. To demonstrate this effectively, however, they will need to provide evidence. Suggestions for evidence are also set out in the standard, but the specific way that individual organisations actually demonstrate that they are meeting the standard is up to them.

Normally they would be expected to put in place policies and procedures. The procedures show that they have thought about what is necessary to ensure that they meet the standard. But to demonstrate that they are actually adhering to it, they will need to provide evidence that the procedures are being implemented on a day to day basis (and not just when they think that an audit is about to happen).

Normally, therefore, businesses would need to undertake their own internal audits on a regular basis, and occasionally (once every year for the first three years, and then biennially thereafter) also to subject themselves to external audit.

You, as the assessor, will be looking for evidence that they are meeting the standard, that they are checking regularly that they are meeting the standard, that they are taking corrective action when they identify shortfalls – either in the requirements of the procedures or in the behaviour of their staff. The objective in undertaking the audit is to provide an independent assessment of the business's policies and procedures. Remember that the aim is to encourage and support businesses and other organisations to achieve recognition as being committed to the principles of integrity in business, but remember too that we have to protect the standard so that it becomes a prestigious standard and that it becomes recognised all over the world as being of value.

All businesses, and other organisations that interact with business, who wish to achieve recognition, have to abide by the requirements of the standard. However, the kind of procedures that one might expect in a large, perhaps multi-site, firm are likely to be quite different to the procedures that might be expected in a micro-enterprise. The large firm is likely, for example, to have far more written down; the micro-enterprise is likely to work far more informally. So the evidence that is provided might be somewhat different.

An organisation applying for full membership of Integrity will be expected to submit a portfolio – which provides sufficient evidence to demonstrate that it meets the requirements of the standard.

This guidance note provides some suggestions about the sort of evidence that might be regarded as satisfying the Convention on Business Integrity that a business meets the standard.

2. The portfolio

The typical portfolio will include copies of published documents prepared by the firm, together with evidence that it is itself auditing its adherence to its own policies and procedures, and further description by an external assessor reporting on both the procedures and explaining whether they are being observed.

Your key tasks, as an external assessor, are

- to review the organisation’s policies and procedures and assess whether they meet the requirements of the standard;
- to review internal audits undertaken by the organisation, to consider whether the internal audits have been undertaken sufficiently rigorously, and to determine whether the organisation has undertaken corrective action as necessary; and,
- to satisfy yourself that the organisation really is adhering to the requirements of the standard by doing your testing of procedures.

For the applicant to secure recognition by CBI’s Core Group, it will need to present its portfolio which provides enough evidence to show that they are doing that which is required of them. However, you may well need to annotate the portfolio or report at greater length on different aspects of the portfolio. For small firms in particular, which are likely to have far fewer written procedures, there will need to be greater reliance on your written evidence, though this will still to be backed up by sufficient evidence to satisfy the Core Group. In most cases, it is unlikely that a report by itself will be sufficient.

As more firms are audited, we hope that they will be willing for CBI to use their (unattributed) policies and procedures as models, and CBI will be able to build up a library that prospective signatories and external assessors can access for ideas on how to do themselves. It is important, though, to remember that there is no ‘right answer’ to this – it is what firms think is most appropriate for themselves, provided they can justify their approach.

Evidence	
<p>Values and policies should be set out formally in a written creed, code or policy which clearly sets out the organisation’s values and principles and is provided to all the staff as part of their staff handbook</p>	<ul style="list-style-type: none"> ▪ The company should have a formal statement setting out their values and principles – and this should make it clear that they want to promote ethical working and are opposed to corruption. ▪ A copy of the statement should be included in the portfolio. ▪ The assessor should ask members of staff (as part of a general interview) to produce their staff handbook and to show their copy of the statement of values. The assessor should write a note explaining how many of the staff who were interviewed could produce a copy of their handbook and how many handbooks had a copy of the values statement. <p>It is unlikely that the staff within a small business will have a staff handbook, but staff should be asked if they understand the business’s values and principles and if they support them. The assessor should write a paragraph describing the answers.</p>
<p>The policy should be prominently displayed at places of work</p>	<p>Typically a statement of values will be displayed at places where visitors are received. The assessor should look out for public displays of the values statement and report on the places where it is displayed.</p> <p>All businesses should be expected to do this.</p>
<p>The policy should be promoted to key stakeholders including customers, suppliers and shareholders</p>	<p>The assessor should ask for evidence that the values statement has been sent to key stakeholders. It might be included in a general letter to suppliers or in a report to shareholders etc.</p>

	<p>There is no hard and fast rule for how the policy should be promoted, but you will be looking for evidence that it has been circulated. Where you see promotional material, you should include a copy in the portfolio.</p> <p>It may be appropriate to ask for a list of recipients and to call some at random to ensure that they really did receive the policy statement.</p> <p>It is unlikely that small businesses will be able to do this, but you should be looking for evidence that they promote their policy to their key stakeholders as appropriate.</p>
<p>Staff to sign undertaking on appointment and annually thereafter not to engage in corrupt practices</p>	<ul style="list-style-type: none"> ▪ The company should have a suitable statement for members of staff to sign. Ask how they know that it is time to do it each year and report on the procedure. ▪ You should review the signed copies and satisfy yourself that all members of staff are signing them each year. Check that all staff are covered, and check that it is repeated annually (For larger companies, you can only do a random check, but one way of doing this is to ask for a copy of the staff list, pick names at random and ask to see their signed forms). ▪ You should include a copy of a signed statement in the portfolio. ▪ As you talk to staff, you should ask if they recollect signing the statement and what it means to them. You should write a note confirming that staff do remember signing the statement and that they understand the consequences if they engage in corrupt practices. <p>All businesses, even small ones, should be able to demonstrate that they require staff to sign annual commitment forms.</p>
<p>Occasional random and documented audits of the way that people work</p>	<p>As external assessor, you will find it difficult to assess in detail the way that people work within a business. You can “drop in” on a member of staff and ask them to tell you about what they do, but you are unlikely to learn a lot. However, this is one area where the company should itself be auditing its own performance and keeping records, so you should ask to see copies of those records. You should write a note explaining what you have been shown, how it demonstrates that the company is meeting the standard, and include a copy of an internal audit report in the portfolio.</p> <p>It is unlikely that small firms will have a formal procedure for this, but you ask the owner manager how s/he keeps an eye on the staff and satisfies him/ herself that staff are not engaging in corrupt practices.</p>
<p>Accountability</p>	
<p>Introduce documented internal controls</p>	<p>All but the smallest business will have internal controls for some of their activities. In many cases, this will cover financial controls (including, for example, dealing with purchases, signing cheques, paying expenses, etc); in some cases, it may cover quality controls or other controls.</p> <ul style="list-style-type: none"> ▪ As assessor, you should ask for a list of all internal controls. You should ask for copies of the control documents. Does it look as though the documents cover all the requirements? Have the procedures been written to minimise opportunities for corruption?

	<ul style="list-style-type: none"> ▪ Include a copy of the list, and one or two procedures, in the portfolio. ▪ As you interview staff, ask them whether they have to comply with internal controls; and, if so, which ones (which will help you build up an alternative list, and give a feel for which are the most used). ▪ Depending on the size of the business, pick one or two procedures. Ask where the procedure starts and then follow a typical transaction from start to finish. Describe what you find. <p>It is unlikely that a small business will have any documented procedures. Even medium sized businesses where financial control is in the hands of one person may not have documented their procedures. But they will still have informal procedures, so ask the responsible person to describe the procedure, how it is enforced, and how they ensure that there are no opportunities for corrupt practices. Report on what you are told.</p>
Audit procedures regularly and document results	<p>The company should be regularly auditing itself to ensure that these procedures are being adhered to. Ask to see copies of the internal audit reports and evidence that proposals for corrective action have been undertaken.</p> <p>A small business is unlikely to audit its control procedures, but may well change them in response to events. Ask the owner manager or responsible person to describe such an occasion and report on what you are told.</p>
Self-disclosure and scrutiny	
Examples of information made available to stakeholders, such as annual reports and accounts, website, etc.	Ask for copies and include in the portfolio, drawing attention to key aspects, such as public annual accounts, etc.
Job descriptions and person specifications for all roles and staff	<p>Ask to see copies of job descriptions and person specifications. Take the staff list, pick names at random and ask to see their job descriptions. Job descriptions change over time, as work changes and as people get promoted. Have the job descriptions been updated? Are there comprehensive personnel files for each member of staff? Include a copy of a job description in the portfolio, and report on what you find.</p> <p>When you meet members of staff, ask them to describe their job. How well does it measure up to the written job description?</p> <p>Very small businesses are unlikely to have written job descriptions. But you can ask the owner manager to describe the jobs of some of the staff and you can ask those members of staff to describe their job. How well do the descriptions tally?</p>
References from previous employers which report on perceptions of honesty and integrity	Personnel files should include copies of reference from previous jobs, either written or as transcripts from telephone conversations. Review those references, particularly looking for reports on integrity and honesty. Report on what you find (without mentioning any names).

Evidence of participation in training programmes; syllabus covered.	<p>Ask for evidence that staff have participated in appropriate training programmes. Simply looking at an attendance list is not enough. Ask to see copies of evaluation reports. Or, if they are not available, ask for other evidence.</p> <p>Look at the syllabus. Did it cover ethics and corruption?</p> <p>Talk to members of staff. Ask them when they last attended an appropriate training programme? Ask them what the syllabus covered (and assess whether you think they participated and learnt about the importance of ethical working and corruption). Ask about the lessons that they apply in their work. Report on what you are told.</p>
Corruption and corrupt practices	
Principle included in the policy statement	See above
Procedures designed, as far as possible, to eliminate opportunities for corruption	See above
Transactions documented accurately to demonstrate that procedures have been followed	See above
Copy of directive (for staff, included in staff handbook); staff to sign on appointment and annually thereafter an undertaking not to engage in corrupt practices	<p>Check staff handbooks at random to see whether directive is included. Include a copy of the directive in the portfolio. Report on what you find.</p> <p>Signed statement – see above</p> <p>Small businesses are unlikely to have a written directive, but they should still be seeking annual commitments, as evidenced by annual signed statements.</p>
Whistleblowers	
Copy of directive (for staff, included in staff handbook)	<p>Check staff handbooks at random to see whether directive is included. Include a copy of the directive in the portfolio. Report on what you find.</p> <p>Small businesses are unlikely to have a directive, but staff should be briefed on whistleblowing, and should be able to tell you what they would do in the event that a corrupt practice came to light.</p>
For larger organisations, the appointment of an Ethics Counsellor to counsel in confidence with those wishing to resolve ethical dilemmas or seeking clarification of the core values of the organisation. SMEs may use an external Ethics Counsellor	<ul style="list-style-type: none"> ▪ Ask to meet with the Ethics Counsellor. Does s/he understand the role? Ask them to describe the role and report on what you are told. ▪ Ask for evidence that the Ethics Counsellor is supporting staff – perhaps through site of records. ▪ Ask staff to name the organisation’s Ethics Counsellor. <p>Small businesses (and maybe medium sized businesses) will be unlikely to have someone employed who acts as Ethics Counsellor, so ask them about the arrangements that they do have to support whistle blowers. Ask members of staff to whom they would go to blow the whistle.</p>
Record of whistle blowing and actions taken	<p>Review the record of whistle blowing and actions taken. If no incidents have been reported, you should say so. If incidents have been reported but no action has been taken, you should say so. If incidents have been reported and action has been taken, you should describe the sort of action that has been taken.</p>

Reporting offenders	
Records of referral and convictions	Ask to see the record of referrals to the appropriate authorities (which may be the same as the whistle blowing record) and report on what you find.
Audits	
Audit records, together with recommendations for improvements and actions undertaken	Ask to see copies of internal audit reports and recommendations for corrective action. Include a copy in the portfolio. If corrective action has been recommended, ask for evidence that it has been actioned. Report on what you find.
Evidence, for example from board meetings, that issues are being debated and that improvements are being sought	Ask to see evidence that issues of ethics and corruption are being debated, for example, at board meetings or in other committees. What are the results of those debates? Report on what you find.
Written statement of reward system and sanctions included in staff handbook	Check staff handbooks at random to see whether a statement is included. Include a copy of the statement in the portfolio.
Records of rewards given and sanctions applied to staff	Check personnel records. Have staff been rewarded for good behaviour? Have they been sanctioned in some way (including dismissal) for inappropriate behaviour? Report on what you find and, where possible, include copies in the portfolio.

3. Consistency & verification

One of the roles of the review panel is to ensure that there is consistency between the assessors in the way that the standard is applied, so that the expectations placed on applicants are broadly similar. That is one reason for setting out a detailed note regarding the type of evidence that will be required. However, it is likely that the Core Group, in reviewing applicants' portfolios, will also wish to interview assessors about the way in which they undertook their work. In addition, it is likely that they will wish to bring the assessors all together periodically to look at, and revise, the guidance for assessors.

4. Accrediting assessors

People who wish to become assessors for CBI will need:

- To have a recognised qualification as an assessor (which could be as a quality assessor, or as a financial assessor, or other audit qualification);
- To participate in a briefing seminar organised by CBI to introduce prospective assessors to the standard and to explain what is required of applicants; and,
- To undertake their first (probably one or two) audits under the eye of, and to be approved by, an 'audit supervisor'.

CBI will publish indicative rates for audits for different sized organisations, though the actual rate charged will be up to individual negotiation.

Accredited assessors will be required to attend at least one meeting each year involving all of the assessors.