



Unlocking ISO 37008:  
The key to an effective  
investigation strategy

August 2024



Internal investigations are evolving to address the growing intricacies of financial crimes, fraud and misconduct while facing increased scrutiny from regulators and enforcement agencies worldwide.

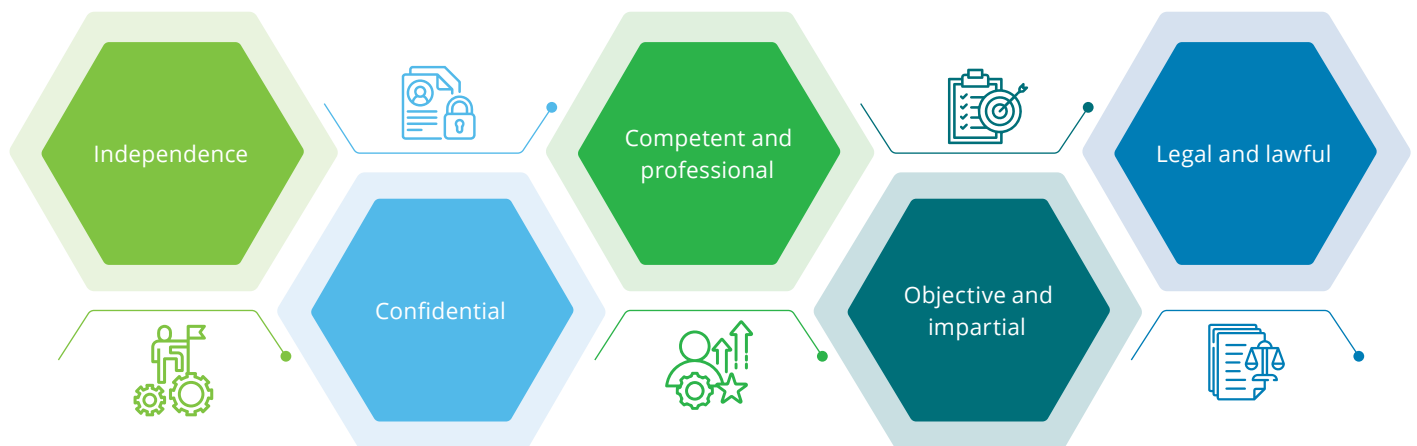
Organisations globally lose approximately 5 percent of their annual revenue to fraud, an estimated loss exceeding US\$5 trillion (India: ~US\$169 billion)<sup>1</sup>. However, an effective fraud investigation process as part of the incident response framework can offset this loss to some extent. Organisations with strong internal investigation processes which are supported by a standardised investigative process framework can streamline forensic procedures and uphold the integrity of the investigation process.

Many organisations have attempted to streamline their investigation framework through internal policies, customised investigation manuals, etc. In terms of best practices/ guidelines, the International Standards Organisation (ISO)

has recently introduced the ISO 37008 *Internal investigations of organisations—Guidance*, that stands out as a pivotal development. It offers comprehensive guidelines to forensic service providers to refine their methodologies in order to yield rigorous investigative results. In addition, Institute of Chartered Accountants of India (ICAI) has also rolled out the Forensic Accounting and Investigation Standards (FAIS).

The frameworks of ISO 37008 and the FAIS standards integrate legal and regulatory compliance into investigative procedures, ensuring adherence to relevant legislation, standards and ethical principles. However, these two standards differ in applicability. ISO 37008 is universally applicable across various organisations and industries, providing a structured framework for internal investigations in line with standardised procedures. On the other hand, ICAI standards are tailored for chartered accountants involved in forensic accounting and investigation, providing comprehensive guidelines to help them carry out an investigation.

**Following are the five fundamental principles laid out by ISO 37008:**



<sup>1</sup> Source: <https://legacy.acfe.com/report-to-the-nations/2024/>

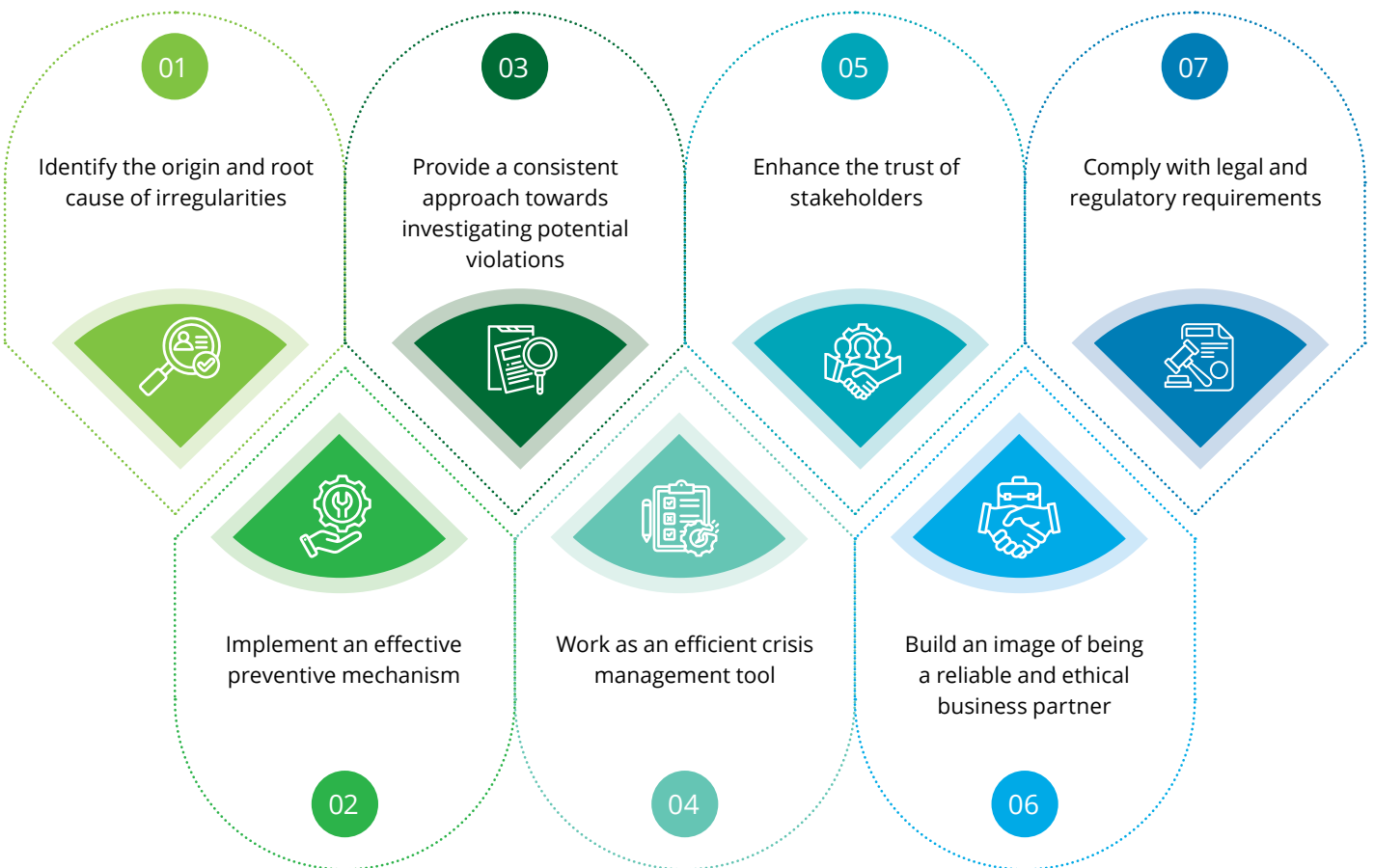
These principles are intended to guide organisations in making the process more robust and capable of withstanding scrutiny. In addition, some of the key highlights of the ISO 37008 guidance include the following:

- A methodical framework to conduct forensic investigations, covering crucial phases, such as planning, data collection, analysis, reporting and quality assurance. Implementing these best practices can help forensic professionals maintain consistency, uphold transparency and adhere to ethical standards throughout the investigative process.
- Control measures to ensure robust data management and security protocols considering the significance of digital evidence in an investigation. Adhering to data handling procedures during an investigation maintains the integrity of evidence and enhances the credibility of forensic findings.

- Scope for continuous improvement as the guidelines underscore the importance of allocating sufficient resources, such as workforce, financial support, technical tools and organisation infrastructure to enhance the internal investigation process. Adopting a standardised approach to conducting an investigation, with an open mindset towards adaptability and innovation, will empower organisations to effectively address evolving threats and challenges in the investigative field.

Adherence to ISO 37008 can help elevate the quality of forensic investigations and foster confidence among stakeholders such as clients, regulatory agencies and the judiciary. The guidance can enable forensic professionals to enhance their reputation, credibility and trustworthiness.

Apart from mitigating potential financial loss, preventing irregularities and resolving crises, an effective internal investigation can:



Approaching an internal investigation process with a standardised methodology can help foster a resilient organisational culture grounded in compliance, ethics and accountability. Below is a conceptual overview of the investigative process provided in the *guidance*.

**Overview of the investigative process**



Source: ISO Internal investigations of organisations—Guidance<sup>2</sup>

<sup>2</sup> ISO/DTS 37008 - ISO/DTS 37008 (iteh.ai)

Clause 8.1 of ISO 37008 prescribes that the “Top management or the governing body should appoint or authorise a person or team to conduct an investigation unless an existing investigation charter pre-sets the appointment process. If the current management has a conflict of interest, the management of the next level should make such an appointment or authorisation. An investigation can be assigned to external investigators.”

An organisation should have a mechanism to identify incidents wherein external investigators will be better suited to conduct the investigation.

Organisations must ensure external investigators possess the requisite knowledge to detect and investigate irregularities and be equipped with essential technological tools (used to perform data analytics and review digital information) and discreet market intelligence procedures. In our experience, involving external investigators enhances the independence quotient and makes the process objective, precise and reliable, contributing to credible outcomes.

**Saurabh Khosla**

Partner, Forensic & Financial Crime  
Deloitte India

(Saurabh represents Deloitte on ISO’s Technical Committee on the standard, with its nodal agency in India)

**Benefits of complying with the ISO 37008:**

- 1 Increased awareness among the involved parties in terms of their rights, the significance of cooperation along with the minimal risk of perceived biases for/ against any of the parties involved
- 2 A high level of transparency, consistency, quality and anti-retaliation in the investigation process
- 3 Improved risk management and regulatory compliance (as applicable)
- 4 High confidentiality, independence, consistency and sensitivity among stakeholders
- 5 Enhance an organisation’s reputation by assuring investors/stakeholders that their concerns are resolved consistently

Poorly executed internal investigations may be counterproductive and affect the outcomes of any subsequent legal proceedings. Moreover, an effective internal investigation forms a pivotal component of an organisation's compliance management framework, aiding in identifying potential threats and managing risk.

Implementing guidelines such as ISO 37008 and ICAI FAIS is highly beneficial as they help organisations enhance their internal investigations and ensure compliance with international best practices. At the same time, organisations and their internal investigation teams must keep up with the changing

landscape of the corporate world to ensure they have an effective investigation methodology. ISO 37008 can work as a crucial guide, equipping forensic professionals with the necessary principles in their quest for truth. However, the outcome of investigations will depend on the capability, integrity and experience of the forensic professionals involved.



## Connect with us

### Nikhil Bedi

Partner and Leader  
Risk, Regulatory & Forensic  
Strategy, Risk & Transactions  
Deloitte India  
[nikhilbedi@deloitte.com](mailto:nikhilbedi@deloitte.com)

### Rajat Vig

Partner  
Forensic & Financial Crime  
Strategy, Risk & Transactions  
Deloitte India  
[rajatvig@deloitte.com](mailto:rajatvig@deloitte.com)

### Ajay Singh

Partner  
Forensic & Financial Crime  
Strategy, Risk & Transactions  
Deloitte India  
[ajaysingh@deloitte.com](mailto:ajaysingh@deloitte.com)

### K.V Karthik

Partner and Leader  
Forensic & Financial Crime  
Strategy, Risk & Transactions  
Deloitte India  
[kvkarthik@deloitte.com](mailto:kvkarthik@deloitte.com)

### Saurabh Khosla

Partner  
Forensic & Financial Crime  
Strategy, Risk & Transactions  
Deloitte India  
[khoslas@deloitte.com](mailto:khoslas@deloitte.com)

## Contributor

### Aakash Aggarwal

# Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.