

MONITOR

National Key Result Areas
NKRA
AGAINST CORRUPTION

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GTP 2.0 - FIGHTING
CORRUPTION NKRA SHIFTS
INTO A MORE AGGRESSIVE
MODE.

**THE FIGHTING CORRUPTION
NKRA** - NIPPING CORRUPTION
IN THE BUD

**CORPORATE INTEGRITY
PLEDGE** - BUILDING A
CULTURE OF HONESTY TO
COMBAT CORRUPTION



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GTP 2.0

FIGHTING CORRUPTION NKRA SHIFTS INTO A MORE AGGRESSIVE MODE.



In GTP 1.0 the Fighting Corruption NKRA had aspired to enhance transparency, efficiency and integrity of the regulatory and enforcement agencies, the government procurement process and tackle grand corruption. However despite the big wins achieved under the GTP 1.0 initiatives, the public remains skeptical of the government's success at fighting corruption. The results of the GCB July 2013 highlighted a number of interesting details. More than one in four respondents (27%) said they paid a bribe over the past 12 months when accessing key public institutions and services globally. However only 3% did so in Malaysia which is one of the lowest in the report and comparable to South Korea, Spain and Norway.

Hence in GTP 2.0 a more aggressive stance will be taken. Those initiatives that have proven to be effective in GTP 1.0 will be reinforced and enhanced while new ones will be introduced to further expand the nexus of change. The aspirations remain the same but for the addition of a new one: Education and Public Support.

These 4 aspirations will be achieved through the following 6 main thrusts of action:

1. Transforming the Malaysian Anti-Corruption Commission (MACC)
2. Enhancing the Corporate Integrity System
3. Incorporating a Corporate Liability Clause in the MACC Act
4. Transforming the Attorney-General reporting process
5. Improving the government procurement process

6. Anti-corruption education and building up public support

There are 20 initiatives to ensure these targets are met. While most of these initiatives are new, 7 of them are brought forward from GTP 1.0, while another had already been implemented ahead of time under GTP 1.0

The GTP 2.0 initiatives are:

1. To establish a Special Committee on Corruption to answer questions on MACC Annual Report in Parliament.
2. To establish an MACC Executive Review Committee to jointly evaluate corruption cases with the Deputy Public Prosecutor.
3. To establish an MACC Project Management Office on Prevention to find ways to improve preventative measures.

4. To monitor the performance of the enforcement agencies' Compliance Unit.
5. To monitor Corruption Offender Database. Details of offender should be uploaded within 2 weeks of conviction.

6. To enhance Corporate Integrity System Malaysia (CISM) to streamline eligibility, assessment and reporting procedures.

7. To streamline MACC Oversight Committees to enable information sharing between all 5 committees.

8. To prosecute corruption cases within 1 year

9. To improve political financing governance framework

10. To insert a Corporate Liability Provision into the MACC Act

11. To fast-track access to the Auditor General's Performance Audit Report for immediate action

12. To establish an Action Committee on AG Report to facilitate information sharing between the AG and the MACC

13. To set up an Auditor General' online dashboard highlighting outstanding issues in AG Report

14. To establish the Putrajaya Inquisition chaired by PM to bring outstanding issues to a closure

15. To implement comprehensive Integrity Pact for PPP projects

16. To upgrade MyProcurement Portal to enable it to integrate with related procurement portals.

17. To establish Guidelines for middle-man/lobbyist.

18. To set up Corruption Prevention Secretariats in Teacher's Training Colleges

19. To provide anti-corruption training for Members of Parliament.

20. To incorporate anti-corruption element in school text books.

21. To establish a Central Asset Management Corporation (CamCorp) which will be entrusted to manage all assets which have been confiscated by the government.

Fourteen of these initiatives are expected to be in place by the end of this year. These Big Wins are the:

1. Special Committee on Corruption to answer question concerning the MACC Annual Report in Parliament.
2. MACC Executive Review Committee
3. Project Management Office on Prevention
4. Monitoring of Compliance Units activities
5. Monitoring of Corruption Offender Database
6. Corporate Integrity System Malaysia
7. Streamlining of MACC Oversight Bodies
8. Complete prosecution of corruption cases within 1 year
9. Fast-tracking access to AG Performance Audit Report for immediate action
10. Action Committee on AG Report
11. Auditor General's online Dashboard
12. Putrajaya Inquisition
13. Corruption Prevention Secretariat at Teacher's Training Colleges (completed in 2012)
14. Anti-corruption training for MPs

THE FIGHTING CORRUPTION NKRA

Before embarking on its Transformation Programme (GTP) in 2010, the government had, through a series of public surveys, media analysis and opinion polls, sought to identify the areas of improvement that the people wanted to see most in the country. It transpired that the six most pressing issues of the day were: reducing crime; fighting corruption; improving student outcomes; raising living standards of low-income households; improving rural basic infrastructure; and improving urban public transport. The people feel these concerns, which are henceforth known as the National Key Result Areas (NKRAs), urgently needed to be addressed if Malaysia is to achieve a developed nation status by 2020 as envisaged under Vision 2020. Another NKRA to address the increasing cost of living was later added to this list in July 2011.

The government had to come up with the plans and solutions to address the six 'ills', monitor their implementation, and assess their progress. Thus over a period of six weeks from Oct 5 to Nov 13, 2009, some 240 government and private sector officers from various ministries, government agencies and industries conducted intense brainstorming sessions in 6 laboratories – one for each NKRA – to work out the details and develop the implementation framework for the respective NKRAs. The Prime Minister, Cabinet Ministers and top leaders of the civil service spent significant amounts of time with these labs to monitor progress and challenge the participants to set higher targets and faster delivery times. On January 1, 2010, the MACC was appointed as the secretariat for the NKRA against corruption. A new division – the NKRA Corruption Monitoring and Coordination Division was established with Dato' Hisham Nordin as its Director. The NKRA Division acts as the secretariat that monitors and coordinate the implementation of all initiatives outlined in the GTP.

In the Fighting Corruption NKRA Lab, Dato' Hisham together with 40 senior government officers from various ministries and agencies together with their counterparts from the private sector came out with 45 strategies that would reduce graft in the country. They then presented their research findings and implementation plan and mechanism to the top management of the relevant ministries and agencies involved in fighting corruption to get their feedback, support and commitment in implementing these initiatives. These recommendations were later displayed for public viewing during the three GTP Open Days held separately in Petaling Jaya, Kuching and Kota Kinabalu. These Open Days served to obtain public inputs and feedbacks regarding the government's planning and implementation under the GTP. Based on these feedbacks, plans were further fine-tuned and then published in the GTP Roadmap on January 28, 2010.

The NKRA Corruption Monitoring and Coordination Division found that the three most corruption prone areas are in the regulatory and enforcement agencies, government procurement and grand corruption (politics). Therefore top priority is given to regaining public confidence in regulatory and enforcement agencies, reducing leakages in government procurement and tackling grand corruption. The division identified nine initiatives or big wins to be achieved by 2012. These initiatives are to establish the:

- 1) **Convicted Corruption Offender Database (previously known as Name and Shame Database)**
- 2) **Special Corruption Courts**
- 3) **Whistle Blower Protection Act**
- 4) **Integrity Pact**
- 5) **MyProcurement Portal**
- 6) **Parameter of Support Letter**
- 7) **Hot Job Rotation Policy**
- 8) **Compliance Units**
- 9) **Reward and Recognition Policy**

Through these initiatives the government aspires to nip corruption at the grass root level by reducing corruption through enforcement and compliance, enhance transparency to improve the CPI score and

improve public perception on the integrity of the government and civil service.

By the end of 2012, these initiatives have produced the following results: Regulatory and Enforcement Agencies

- Details of 1,172 corruption offenders were published in the MACC's Convicted Corruption Offender Database
- The 14 special corruption courts have processed over 404 cases and completed 258 cases in 2012.
- 75% of corruption trials were completed within a year.
- Under the Hot Job Rotation Policy, enforcement agency officers located in 'hot spot' locations for longer than three years are flagged for relocation.
- Compliance Units established in the Malaysian Anti-Corruption Commission (MACC), Royal Malaysian Police Force (PDRM), Royal Malaysian Customs, the Road Transport Department (JPJ) and the Immigration Department.
- Enforcement Agencies are increasingly turning to automation to minimise human contact and opportunities for corruption.
- Automated Enforcement System (AES) for traffic laws. 14 AES cameras have been installed at various accident-prone areas in the Klang Valley and Perak.
- Reward and Recognition Policy for enforcement officers who reports on corruption.
- Launch of the anti-corruption mascot Agent Lang, tied in with pre-existing MACC hotline 1800 88 6000 for all corruption complaints
- The establishment of an Integrity League Table, which will allow the public to view comparative performance of local authorities.
- In the November 2012 TNS perception survey the Regulatory and Enforcement

- NIPPING CORRUPTION IN THE BUD

One of the 21 initiatives under the GTP 2.0 is to incorporate anti-corruption elements in school textbooks and extra-curricular activities.



Agencies were rated 2.94. This rating was based on a score of 1 to 5, with 5 being extremely corrupt and 1 being least corrupt.

GOVERNMENT PROCUREMENT

- A list of 6,688 tenders for government contracts and the successful bidders have been posted on the MyProcurement Portal for public viewing.
- 142,628 Integrity Pacts between the government and its vendors or suppliers have been signed.
- 154 companies have signed the Corporate Integrity Pledge (CIP). By signing the CIP, these companies is making a unilateral declaration that they fight corruption and uphold the Anti-Corruption Principles for Corporations in Malaysia in the conduct of their businesses.

GRAND CORRUPTION

- Malaysia's Corruption Perceptions Index (CPI) ranking rose six spots from 60 in 2011 to 54 for 2012.
- The Whistleblower Protection Act has led to an increase in the number of corruption

complaints received by the MACC. The identity of 96 individuals were protected under the Act.

- Announcement of political funding reforms to make the political fund management transparent.
- Tabling for the Creation of the Central Asset Management Corporation to manage, maintain and preserve the value of confiscated assets
- Issuance of Public Service Reform Booklet to promote awareness on and adherence to the correct system, process and procedures in government departments and agencies.
- The Government has issued a Circular on Online Public Engagement on New laws/ Change of laws, requiring government departments and agencies to seek public opinion before proposing amendments to existing laws or introducing new bills.
- Parameter of Support Letters - these were often used to coerce civil servants to ignore government policies and processes in awarding government contracts/tenders. Instructions have been issued to civil servants not to make decisions based on the support letters but based on the merits of the case.

The fight against corruption does not only involve making governments and corporations more effective and transparent, it also entails making people more honest and raising their anti-corruption consciousness to a new level. In this respect, the Fighting Corruption NKRA has successfully carried an anti-corruption awareness and education programme. With the assistance of the Malaysian Anti-Corruption Commission, Anti-Corruption Secretariats have been established in 20 public universities and 27 teacher training institutions nationwide. In addition elements of anti-corruption and noble values have been incorporated in the secondary school syllabus. Meanwhile, the MACC and the Malaysian Institute of Integrity (IIM) will be conducting seminars on integrity, procurement, and on auditing requirements for members of parliament. This seminars are meant to provide the MPs with an overview of the dos and don'ts for politicians.

Undoubtedly, some of the GTP 1.0 initiatives will be enhanced while new ones will be included in the GTP 2.0

Corporate Integrity Pledge - Building A Culture Of Honesty To Combat Corruption



“While the MACC is at the forefront of the fight against corruption, true effectiveness requires everyone to play a part – including the Government, the rakyat and the business community. The efforts under the Corruption NKRA, bringing together the many strands of work to combat this crime, has been a tremendous step in the right direction.”

Tan Sri Abu Kassim Mohamed, MACC Chief Commissioner

The fight against corruption should not be the responsibility of the government alone. Corporate citizens need to lend their support and commitment to promote integrity, transparency and good governance at the work place, otherwise the Fighting Corruption NKRA initiatives will be compromised. Corporations in Malaysia can play their part in fighting corruption by signing a Corporate Integrity Pledge (CIP).

Launched in March 2011, the CIP is a result of collaboration between the Bursa Malaysia Berhad, the Companies Commission of Malaysia, the Malaysian Institute of Integrity, the Malaysian Anti-Corruption Commission and NKRA Corruption Monitoring & Coordination Division, Securities Commission Malaysia, Transparency International Malaysia and the Performance Management and Delivery Unit (PEMANDU), Prime

Minister's Office. Essentially, the CIP is a formal declaration by a company that it will not resort to corrupt practices to promote its business; that it will work towards creating a business environment that is free from corruption, and that it will uphold the Anti-Corruption Principles for Corporations in Malaysia in carrying out its business.

A company signing the CIP must observe the following Principles in their organisation:

1. COMMITTING to promoting values of integrity, transparency and good governance
2. STRENGTHENING internal systems that support corruption prevention
3. COMPLYING with laws, policies and procedures relating to fighting corruption

4. FIGHTING any form of corrupt practice

5. SUPPORTING corruption prevention initiatives introduced by the MACC

Signing the CIP is purely a voluntary undertaking and the effect of this is twofold. Firstly, the company is making it clear to everybody that it has a zero-tolerance for corruption in conducting business. Secondly, the company is demonstrating to its stakeholders that its business operations do not carry any hidden risks or costs usually associated with corrupt activities.

To date, 154 companies have signed the Corporate Integrity Pledge. The list of signatories can be viewed at the Malaysian Integrity Institute and Bursa Malaysia Berhad websites.