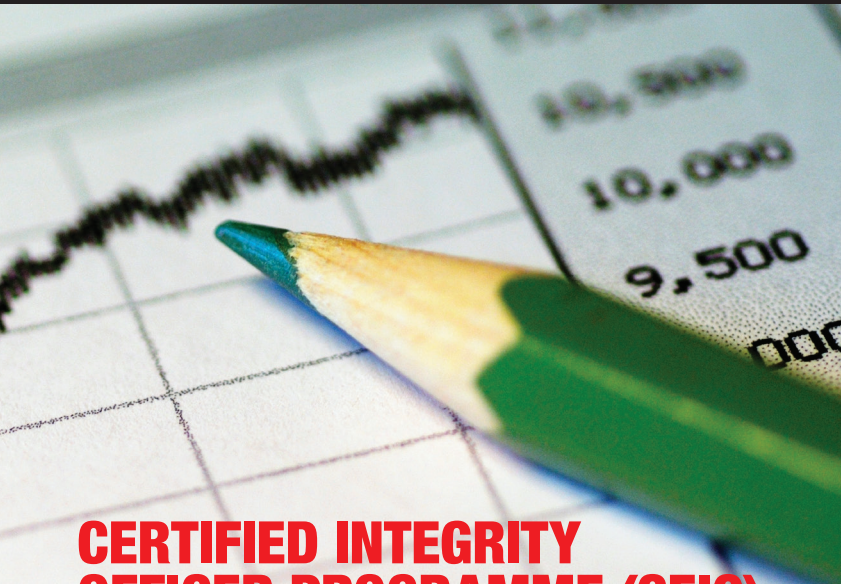


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**CERTIFIED INTEGRITY
OFFICER PROGRAMME (CEIO)**
Enculturating Integrity And Ethics
At The Work Place

INTEGRITY PACT
Ensuring Government
Procurement Are Above Board



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CERTIFIED INTEGRITY OFFICER PROGRAMME (CEIO)



Enculturating integrity and ethics at the work place

The Certified Integrity Officer (CeIO) Programme is coordinated and conducted by the Corporate Integrity Development Centre (CIDC) of the Malaysia Anti-Corruption Academy (MACA). The purpose of the programme is to produce accredited CeIOs who would then serve in government and private sector agencies to promote integrity and ethics at the work place, as envisaged under the National Integrity Plan (NIP) which was launched in 2004 by the then prime minister Tun Abdullah Ahmad Badawi. The NIP was formulated to address the erosion of ethics, noble values and integrity in the greater Malaysian society at the time.

The CeIO Programme has its roots in 2005 when a senior officer from the then Anti-Corruption Agency (ACA) was seconded to Telekom Malaysia Berhad for a 2-year period to introduce anti-corruption and integrity enhancement initiatives in the company. Subsequently another senior ACA officer was stationed at Amanah Raya Berhad in 2006 to undertake the same task. Following their success in fighting corruption and building up good values and integrity at both these organisations, more ACA officers were placed at government agencies which were considered susceptible to corruption and abuse of power.

At the Special Cabinet Committee on Government Management Integrity (JKKMKPK) meeting on 30 March 2010, it was decided that CIDC be entrusted with the responsibility of training integrity officers for both government and private sector agencies. Subsequently, in

August 2010 a pioneer batch of 27 officers registered for the first CeIO Programme conducted at MACA.

The CeIO Programme was officially launched by Prime Minister Datuk Seri Najib Tun Razak at the Putrajaya International Convention Centre (PICC) on 27 February 2012 in a graduation ceremony where 24 officers received their scroll from the Prime Minister. With their qualification certified by the Certified Integrity Officer Accreditation Board, these officers proudly carry the CeIO title. The programme proved popular both locally and internationally. By the end of 2013 MACA has produced 150 CeIOs and they have even formed their own association – the Association of Certified Integrity Officers (ACeIO).

The CeIO Programme is conducted every first week of the month for six consecutive months with two intakes per year – in January and July. The objectives of the programme are to:

- Promote compliance in terms of Laws and Regulations, system and procedures;
- Foster zero tolerance towards fraud, corruption and abuse of power; and
- Consult and advise the organisation's management on awareness and preventive measures

The CeIO Programme equips the trainees with the necessary skills to prevent corruption, fraud and abuse of power at the work place. It acts as a catalyst for enhancing integrity and noble values in the public and private sectors.

Training modules are designed by MACA in collaboration with Malaysian Institute of Integrity (IIM). The modules are divided into 4 components comprising:

1. The Concept of Integrity

In this session, the participants will learn the concept of integrity which emphasise on the

issues of integrity and corruption, ethics, good governance and corporate social responsibility. The participants will have a better understanding of Corporate Integrity Service Malaysia (CISM), National Integrity System and National Integrity Plan.

2. The Practice of Integrity (Enforcement of Laws, Circulars, Regulations and Directives)

This section covers laws, policies, rules and guidance that comprise the legal framework of organisation's ethics and integrity system. It also includes International Law (UK Bribery Act, FCPA, etc.), International Regulation (UNCAC, etc.) and MACC Act 2009. The participants will acquire knowledge on the relevant laws related to corrupt practice.

3. Ethical Compliance & Monitoring

The participants will be exposed to the auditing procedures in public and private sectors which cover the aspects of domestic trials and private sectors, human rights and internal control. In addition, the participants will gain knowledge and skills in relation to the audit techniques, internal investigations and the implementation of internal controls particularly in procurement matters of the organisation.

4. Formation of Integrity Plan

This section focuses on the latest method introduced by MACC known as Corruption Risk Management (CRM) to minimize ambiguities of corruption and abuse of power in an organisation. At the end of the programme, the participants are expected to complete their Organisational Integrity Plan. The learning process is employed through facilitated discussions, group work, discussions and presentation, experiential learning, case studies and individual reflection. By the end of the period the participants will have had the opportunity to:

1. Plan effectively and make accurate decision on any question or concern regarding integrity.
2. Apply the integrity concepts, directly and effectively in the organisation's daily operations
3. Analyse methodologies towards identifying, understanding, handling and response action.

Who Should Attend?

The CeIO Programme is open to all officers from government agencies, statutory bodies and the private sector who:

- Consistently exhibits high integrity and ethical characteristics in the discharge of his/her duties;
- Is in the management or possesses a professional qualification;
- Have not less than 5 years working experience and exemplary service; and
- Have the endorsement and recommendation from his/her organisation

An officer who is nominated by the organisation must pass a vigorous integrity screening exercise administered by the

Malaysian Anti-Corruption Commission, Royal Malaysian Police, Internal Security and Public Order Department, Public Complaints Bureau, Public Service Department, and the Insolvency Department; before he/she is can be admitted.

It is envisaged that the existence of a Certified Integrity Officer at the work place will be the catalyst for a culture of integrity and good governance at that organisation.



“ The existence of the Certified Integrity Officer at the work place will be the catalyst for a culture of integrity and good governance in that organisation “

**Dato' Abdul Wahab bin Abdul Aziz,
Director, Malaysia Anti-Corruption Academy**

INTEGRITY PACT

Ensuring Government Procurement Are Transparent And Above Board

The implementation of Integrity Pact (IP) in government procurement is one of the initiatives under the National Key Result Areas (NKRA) to combat corruption. The Ministry of Finance's Treasury Circular Letter No. 10 of 2010 provides the Guidelines For Integrity Pact Implementation In Government Procurement. It is hoped that with this initiative, Government Agencies will be able to carry out their procurement processes in a more transparent and efficient manner while at the same time reduce wastages and curb the abuse of power.

Developed by Transparency International (TI) during the 1990s, the integrity pact is a tool aimed at preventing corruption in public contracting. It is essentially an agreement between a government or government department and all bidders for a public contract. Through the Integrity Pact both the contracting parties undertake not to pay, offer, demand or accept bribes; collude with competitors to obtain the contract; or engage in such abuses while executing the contract.

IP is used to promote transparency in the government procurement process involving the issuance of license, permit, concession, especially in the selection and appointment of suppliers for public and corporate assets. The formulation of IP can be adapted to accommodate the system environment and legal considerations. It is currently used to monitor more than 300 contracts in 14 countries across the globe.

Integrity Pact Implementation in Malaysia

The Integrity Pact implementation in government procurement is in line with the Treasury Instruction Letter issued on 28 February 2009, requiring all government agencies to insert an anti-corruption clause in all government procurement documents relating to the offer for tender/price quotation/e-Bidding.

The Ministry of Finance has issued a Treasury Instruction Letter dated 1 April 2010, which stipulates the implementation of the Integrity Pact in Government Procurement. The main objectives for the implementation are to:

1. avoid bidders from offering or giving bribes;

2. contracting parties to report any act of bribery or corruption to the authorities; and

3. ensure the Government does not incur "unnecessary costs" in carrying out government procurement.

The Purpose of The Integrity Pact

The implementation of IP in government procurement is to:

- reduce/eliminate opportunities for bribery, abuse of power, and misappropriation of resources in the public procurement process,

- create a signed undertaking on the part of bidders and civil servants to refrain from getting involved in corrupt practices throughout the procurement processes until the project is completed,

- ensure that the bidder has a Code of Conduct which incorporates a declaration not to indulge in corrupt and unethical practices, and a compliance programme for the implementation of the Code of Conduct throughout the company,





- establish an Arbitration Committee as a mechanism to resolve any conflict between the contractor and the government,
- build trust and confidence in the government's credibility and reputation at managing the public procurement process; and
- cost saving in project management and implementation

The Key Elements In An Integrity Pact

The key elements of the Integrity Pact in government procurement in Malaysia are:

- Bidder receives official invitation to participate in the tender for the procurement of supplies, services and work. Bidder signs a pact not to bribe any public officials in order to win or maintain any contract relating to government procurement.
- Bidder draws up a Code of Conduct to combat corruption and unethical practices amongst the staff of the company, and a compliance programme to monitor adherence to the Code of Conduct throughout the company.
- Successful bidder must comply with the Terms and Conditions stipulated in the Procurement Contract, which also contain

the Clause On Prevention On Corruption In Government Procurement Documents.

- A civil servant who is directly or indirectly involved in government procurement must sign a Declaration By Civil Servant Involve In Government Procurement form, pledging not to indulge in corrupt practices or the abuse of power in connection with the procurement.

- Every individual who is appointed to the Government Procurement Committee or Board must sign a Declaration By Members Of Procurement Board/Committee form, pledging not to indulge in corrupt practices or the abuse of power.

IP Implemetation Methods

IP is implemented in three stages:

1. Submission of Document by Bidder

Bidders who submit their tender documents must sign a Bidder Declaration form, pledging they will not resort to giving bribes to win the contract. The government agency should ensure that the Bidder Declaration form is included in the Tender Offer documents.

2. Submission of Letter of Acceptance by Successful Bidder

The successful bidder must sign a Successful Bidder's Declaration form, pledging that the company will not resort to giving bribes in return for winning the procurement contract.

The company representative signing this Declaration must attach to it the Power of Attorney empowering him/her as the authorised signatory for the company. The government agency should also ensure that the Declaration By Successful Bidder form is included along with the Letter of Acceptance.

3. Signing the Government Procurement Agreement incorporating the Combating Corruption in Government Procurement Clause.

The government agency should ensure that the Government Procurement Contract to be signed by the bidder incorporates the Clause On Prevention On Corruption In Government Procurement Documents as circulated by the Attorney General's Office. The government agency should stress upon the bidder the legal recourse in the event of any breach of the clause.

The Benefits Of Having An Integrity Pact

The advent of the Integrity Pact for all government procurement will result in:

- Enhanced access to information, which increases the level of good governance and integrity in government procurement.



- Greater confidence and trust in public sector decision-making – foster changes in the perception of citizens & bidders about the presence of corruption in public procurement.

- Less litigation on procurement processes.

- Contract values that match or are below original budget estimates reducing the cost of public contracting.

- More bidders compete for public contracts

- Induce greater media coverage of anti-corruption activities resulting in increased public awareness.

- Encourage positive and proactive institutional changes such as the introduction of e-procurement systems, simplification of administrative procedures, use of bidders' rosters, effective regulatory action, and new practices by public officials such as using codes of conduct or ethics agreements.

Despite the existing laws that forbid improper conduct, the persistence of corruption and abuse of power in public contracting show the need to develop mechanisms that increase compliance with the law and make it harder to ignore. In this sense, the IP does not duplicate the law, but enables its compliance by levelling the playing field, and assuring the contenders that all will behave under the same conditions.

IP implementation in government procurement eliminates corruption, leakages, and abuse of power in government procurement process. Apart from the cost saving, IP also promotes transparency, accountability, and efficiency in the government machinery.

Just as in the Corruption Perceptions Index (CPI), perceptions about a country's procurement system are often taken to be a reflection of the state of governance in that country. In the long run, the implementation of Integrity Pact in government procurement will greatly enhance the credibility of the public service generally, and the Malaysian Government in particular. This is something we cannot afford to ignore.