



# FIGHTING CORRUPTION

# MINISTER'S FOREWORD

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Message by the Honourable  
**Dato' Seri Mohamed Nazri bin Abdul Aziz**  
Minister in the Prime Minister's Department

The fight against corruption remains crucial one for the nation if it is to achieve its ambitious goals set out in Vision 2020. Though we have covered much ground in the first phase of the Government Transformation Programme (GTP), much more can and will be done in the GTP 2.0.

The GTP 2.0 is a step change from the GTP 1.0. As part of the GTP 2.0's overall theme of enhancing and broadening the transformation, the Anti-Corruption National Key Result Area (NKRA) will similarly draw from our past experiences in the GTP 1.0 to ensure that the next three years will see greater efforts on our part to stamp out corruption in all its forms.

We faced specific hurdles and challenges in implementing our initiatives in the GTP 1.0, but we are determined to improve on our performance in the coming three years. Successful initiatives, meanwhile, will be continued as we believe that they are still important and relevant to the NKRA.

These old initiatives will complement the new ones we will be introducing in the GTP 2.0 to ensure that we have a firm and solid structure in place from where we can combat corruption. We will continue to rally together with agencies such as the Malaysian Anti-Corruption Commission (MACC), the Malaysian Institute of Integrity (IIM), the Ministry of Finance, Transparency International, Bursa Malaysia and the Auditor General's Office in the GTP 2.0 to ensure that we tackle the issue of corruption from all angles.

I am absolutely convinced that through our mutual co-operation and with a committed will to enforce the initiatives correctly, we will be successful in our journey towards eliminating corruption and graft in our country. In doing so, we will ensure that there is greater equity and justice in the distribution of our country's wealth, thereby helping us on our ambitious journey of becoming a high-income nation by the year 2020.



## Looking back at the GTP 1.0 (2010 - 2012)

Corruption is a key focus of the overall GTP as it is seen to be one of the main obstacles that could prevent Malaysia from becoming a high-income nation by 2020. Corruption erodes public confidence in the ability of the Government and other key institutions in maintaining a fair playing field for all participants, thereby dissuading greater private investment, which is expected to contribute 92% of the country's investment needs by 2020.

Corruption also generally saps the morale of the rakyat, thereby discouraging greater participation in the

national economy. Public dissatisfaction with corruption has also led to greater emigration, which further drains Malaysia's talent pool. That the rakyat has identified corruption to be their biggest concern about the country, second only to the economy, is further evidence that this problem has become endemic.

There is also a growing concern that corruption is siphoning resources away from the local economy, with reports noting that small enterprises were tapping into between 8% and 9% of their revenue base just to pay bribes

for business licences and permits. PEMUDAH, a special government taskforce established to facilitate greater efficiency in government, estimates that the country loses about RM10 billion every year due to corruption.

In view of these pressing concerns, the Anti-Corruption NKRA embarked on a number of initiatives to immediately arrest the problem by addressing key structural issues, and scored the following Big Wins over the past three years.



## **BIG WIN 1** Establishment of compliance units in key enforcement agencies

One reason that corruption proliferates is because the agencies tasked to monitor proper conduct are themselves not completely free from corruption. The fight against corruption begins from the top, which is why the GTP 1.0 focused key transformation initiatives on the five key enforcement agencies, namely The Royal Malaysian Police Force (Polis DiRaja Malaysia or PDRM), the Immigration Department, the Royal Malaysian Customs Department, the Road Transport Department (JPJ) and the Malaysian Anti-Corruption Commission (MACC). Each of these agencies now has units that monitor and ensure proper conduct among their officers.

Meanwhile, closed-circuit television cameras were introduced at Customs and Immigration “Hot Spot” checkpoints to provide better monitoring of practices by both enforcement officers and the general public.

## **BIG WIN 2** Whistleblower Protection Act

In addition to efforts directed at the enforcement agencies, initiatives were also taken to ensure that the people best positioned to report corrupt practices would receive proper support and protection. This saw the introduction of the Whistleblower Protection Act in 2010 as well as the development of guidelines for the implementation of the Act.

## **BIG WIN 3** Reward and recognition guidelines

In June 2011, government departments were issued guidelines on rewarding civil servants who reported instances of corruption that led to successful prosecutions. Civil servants received up to RM500 for reporting instances of corruption that were successfully prosecuted.

## **BIG WIN 4** Public Service Reform booklet

Published in 2011, this booklet is a collation of all the changes made by all the Ministries and agencies in the way of reforming bureaucratic processes and procedures. The booklet was distributed nationally to promote awareness of the correct systems, processes and procedures to deter abuse.

## **BIG WIN 5** Expedition of corruption trials

Trials, especially for corruption, can take an inordinately long time, which leads the public to believe that the Malaysian judicial system does not take such cases seriously. To address this issue, 14 Special Corruption Sessions Courts were implemented in the GTP 1.0, which processed over 424 cases and completed 249 cases by the end of 2012.

## **BIG WIN 6** Name and Shame Database

As a corollary to the expedition of the judicial process, a Convicted Corruption Offenders Database was also developed by 2011. The initial target for the ‘Name and Shame’ database was 84 persons, but this modest aim was surpassed easily with 284 persons listed by the end of 2011.

In addition to having to bear with public humiliation, offenders listed on the database also faced more practical consequences. The United States embassy, for example, decided to use the list to bar the issuance of travel visas to listed offenders, thereby curbing their mobility. Other embassies are expected to follow the lead of the US government in this regard.

## **BIG WIN 7** Government procurement

The development of the MyProcurement portal helped increase transparency of government procurements and thus raised confidence in the government tender process. The portal lists more than 5,000 contracts on its website to date, and provides other pertinent information such as advertised and awarded tenders and dates, values of contracts and winners of tenders.

## **BIG WIN 8** Implementation of integrity pacts

Vendors and suppliers to the Government often assume that bribery and corruption is part and parcel of doing business, but the Anti-Corruption NKRA is looking to stamp out that assumption. In 2011, the Ministry of Finance's Integrity Pact was implemented and over 132,000 vendors and suppliers signed the pact with the Government.

## **BIG WIN 9** Corporate Integrity Pledge

Under the Anti-Corruption NKRA, a Corporate Integrity Pledge (CIP) was developed to secure the cooperation of corporates to develop their own anti-corruption programmes to ensure that the Malaysia in corporate sector strives to eliminate corruption within its ranks. By the end of 2011, 64 companies had signed the pledge, including some of the largest capitalised companies in the country, as well as those involved in Entry Point Projects (EPP) under the Economic Transformation Programme.



Signing of the CIP by Air Asia Berhad, as witnessed by YAB Prime Minister

# Introduction to the GTP 2.0 (2013 - 2015)

## Case for change

Despite the successes of the GTP 1.0 initiatives, it is clear that more work has to be done to stamp out corruption and change public perception about the effectiveness of Government in this effort. In this regard, the Government must lead the change in perception by example, rather than address the issue of perception itself. Perception is nonetheless important as corruption proliferates when the

rakyat believe that corruption is part and parcel of doing business in Malaysia.

Surveys such as the Global Corruption Barometer (GCB) and by independent international market analyst Frost & Sullivan further indicate that a significant number of Malaysians do not believe that corrupt practices in this country have improved over the

past three years. According to the surveys:

- 25% of the public think that the government effort in fighting corruption is ineffective (GCB 2011, Transparency International)
- Only 23% of the public feel that the corruption level in Malaysia for the past 3 years has improved (GCB 2011).

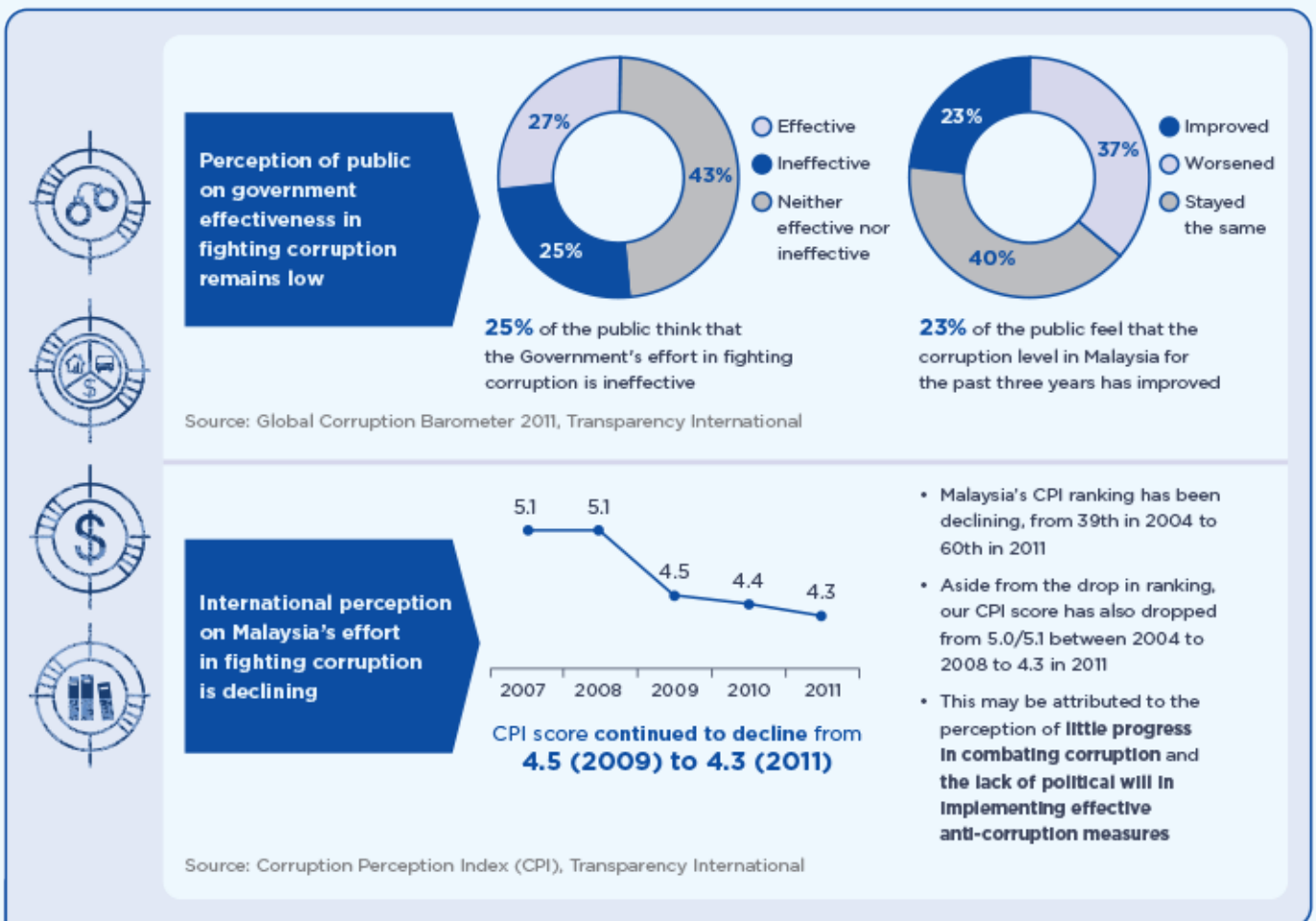


Figure 1: Why do we continue to deal with corruption after the GTP 1.0?

Moreover, despite the achievements of the GTP 1.0, a survey conducted by Transparency International showed that Malaysia's CPI continued to slide from 4.5 in 2009 to 4.3 in 2011.

The poor public perception of the Anti-Corruption NKRA initiatives have led to the implementation of a new workstream in the GTP 2.0, which is aimed at educating the public and raising awareness of the initiatives. The latter workstream is crucial in the coming years as the fight against corruption requires continued support from the public to be successful.

Meanwhile, initiatives from the GTP 1.0 will be enhanced and expanded to further reduce incidences of corruption in the various government structures. All initiatives in the GTP 2.0 will work

towards three long-term aspirations that expand on aspirations listed in the first GTP, namely:

**Aspiration 1: Develop a credible, effective and reputable Anti-Corruption Commission**

In the GTP 1.0, the Anti-Corruption NKRA committed itself to reduce corruption through enforcement and compliance, and in the GTP 2.0, this has crystallised into a more definitive goal, namely to attain corruption reduction through a world-class Anti-Corruption Commission.

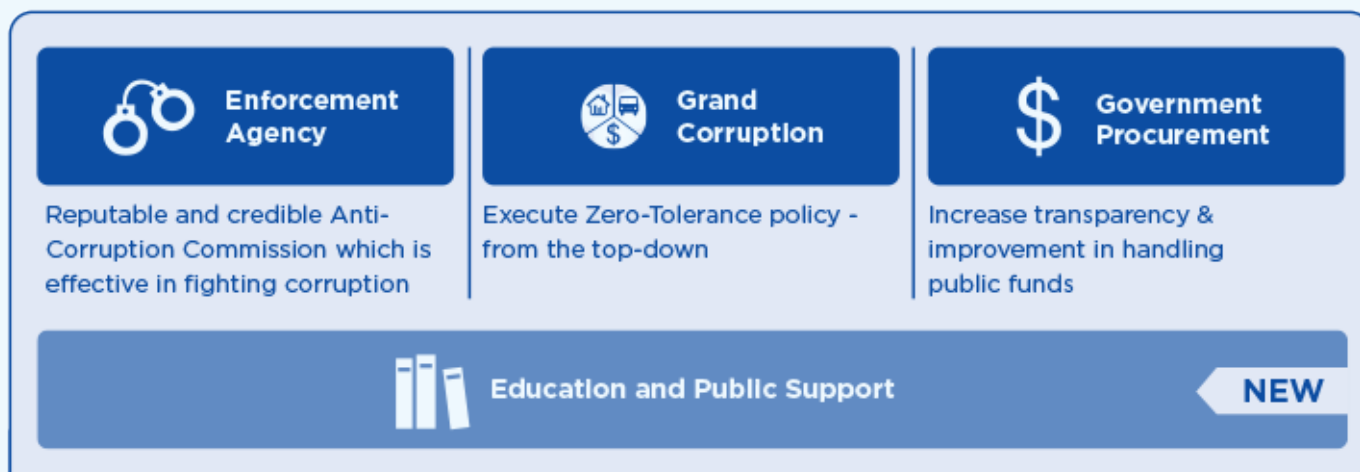
**Aspiration 2: Enforce a zero-tolerance policy on corruption at all levels**

Tackling corruption on all levels - from the highest government level to the rakyat on the ground - will require strong political will to support all

identified initiatives. In doing so, the nation's Transparency International CPI ranking will improve.

**Aspiration 3: Increase transparency and improvement of the handling of public funds**

The Anti-Corruption NKRA is committed to ensuring that the opportunities to mismanage public funds are limited and that the strictest procedures govern all processes involved including the procurement process. The increased transparency will also improve the rakyat's perception of the integrity of the government and civil service, and help reach the aspirations detailed in the GTP 1.0.



**Figure 2:** Aspirations of the Anti-Corruption NKRA

# Overview

Initiatives outlined in the GTP 2.0 for the Anti-Corruption NKRA were tailored with all three aspirations previously mentioned in mind, and are divided into four separate workstreams. Three of those workstreams have been brought over from the GTP 1.0, while a new Education and Public Support workstream has been introduced in the GTP 2.0 to raise public awareness and support for the NKRA's efforts.

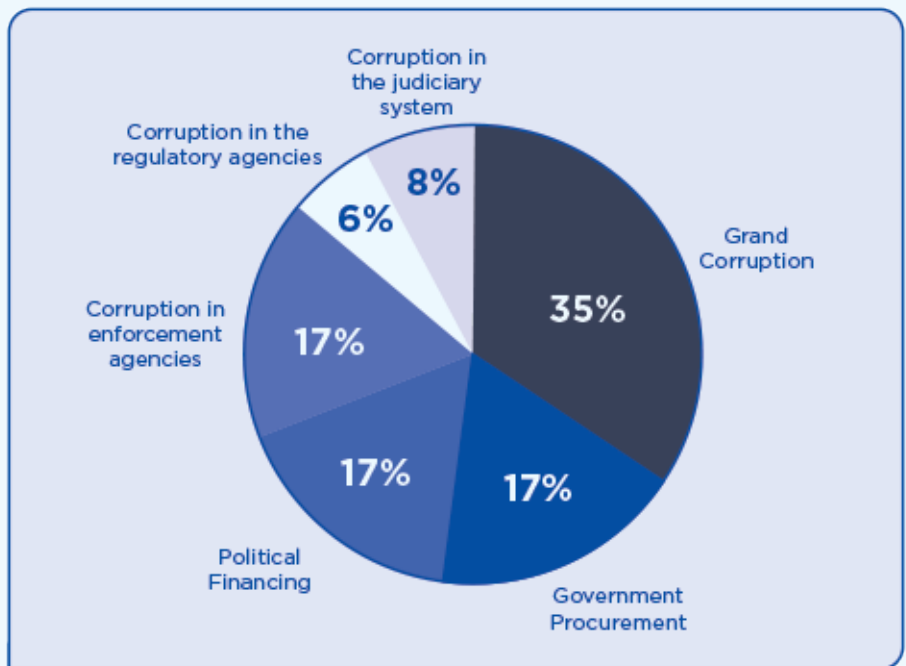
As with the GTP 1.0, the workstreams and initiatives here have been tailored to deliver short-term, high-impact results to arrest and prevent corruption from worsening in the country. The initiatives from the GTP 1.0 have laid the initial building blocks in the fight against corruption, and the GTP 2.0 intends on using that foundation to further enhance the transformation process.

The four workstreams for the Anti-Corruption NKRA in the GTP 2.0 are as follows:

- **Enforcement Agency**
- **Grand Corruption**
- **Government Procurement**
- **Education and Public Support**

The first three areas described above are specifically targeted in the GTP 2.0 because surveys show that these were the areas of biggest concern for the rakyat with respect to corruption.





The workstreams together work towards the three aspirations mentioned previously and will contain a number of initiatives under each that detail specific plans of action during the course of the GTP 2.0.



**Figure 3: Rakyat perceived Grand Corruption, Government Procurement and Enforcement Agency as their Key Concern**

SOURCE: Study of GTP Impact Assessment in Malaysia, 2012, conducted by Frost and Sullivan

## Workstreams and Initiatives

 <b>Enforcement Agency</b>	 <b>Grand Corruption</b>	 <b>Government Procurement</b>
<ol style="list-style-type: none"> <li>1. Special Committee on Corruption to answer questions concerning MACC Annual Report in Parliament</li> <li>2. Executive Review Committee in MACC</li> <li>3. Project Management Office on Prevention</li> <li>4. Monitor compliance unit activities*</li> <li>5. Monitor 'Name and Shame'</li> <li>6. Corporate Integrity System Malaysia (CISM)*</li> <li>7. Streamline oversight committees</li> </ol>	<ol style="list-style-type: none"> <li>8. Complete prosecution of corruption cases within one year*</li> <li>9. Improve political financing governance framework *</li> <li>10. Insertion of Corporate Liability Provision into MACC Act</li> </ol>	<ol style="list-style-type: none"> <li>11. Fast-tracking access to the Auditor General's (AG) Performance Audit Report for immediate action</li> <li>12. Action Committee on AG report</li> <li>13. Auditor General's online dashboard</li> <li>14. Putrajaya Inquisition</li> <li>15. Implementation of comprehensive Integrity Pact for PPP projects*</li> <li>16. Upgrading MyProcurement and integration with related procurement portals*</li> <li>17. Guidelines for middle-men/ lobbyist</li> </ol>
<div style="display: flex; justify-content: space-between; align-items: center;">  <span><b>Education and Public Support</b></span> <span style="background-color: white; padding: 2px 10px; border-radius: 5px;"><b>NEW</b></span> </div>		
<ol style="list-style-type: none"> <li>18. Setting up of Corruption Prevention Secretariat in Teacher's Training College</li> <li>19. Training of Members of Parliament</li> <li>20. Incorporate anti-corruption element in textbooks in primary and secondary schools</li> </ol>		
<p>*GTP 1.0</p>		
<p><b>Table 1:</b> To achieve our aspirations, we need to address key corruption areas and strengthen the public support through education and training</p>		

An overview of the workstreams and initiatives contained within the three aspirations is shown in the table above. These initiatives have been specifically tailored to deliver high-impact results over the next three years.

## 1 Enforcement Agency

Special emphasis will be placed on the MACC as scandals and operation lapses have continued to occur. The MACC will be transformed through this workstream while the functions of its oversight committees will be revisited at the same time. Meanwhile, the NKRA will continue to monitor the key performance indicators (KPIs) set for other enforcement agencies as well. Seven initiatives have been outlined and put in motion for the next three years.





### Initiative: Special Committee on Corruption to answer questions concerning the MACC annual report in Parliament

Every year, MACC's annual report is tabled in Parliament. Subsequent questions raised by Members of Parliament regarding this annual report are answered by a Minister in the Prime Minister's Department. This present procedure has contributed to allegations that the MACC is not independent and is subject to executive bias.

The Anti-Corruption NKRA intends to address this concern by delegating the duty of responding to questions to the Chairman of the MACC's Special Committee on Corruption, which is one of five existing oversight committees for MACC. The Special Committee consists of seven Members of Parliament and Senators from both sides of the bench.

As at 2012, its chairman is Dato' Seri Haji Mohd Radzi bin Sheikh Ahmad.

This initiative will help reinforce the independence of the MACC in the eyes of the rakyat.

### Initiative: Executive Review Committee in MACC

Currently, MACC and the Attorney General's Chambers (AGC) look only at specific sections in handling a case with the former conducting the investigation while the latter decides whether to proceed with prosecution. However,

without a common platform where the case can be discussed by both bodies, delays may occur. The Anti-Corruption NKRA will set up an Executive Review Committee where cases can be jointly evaluated by the investigating officers

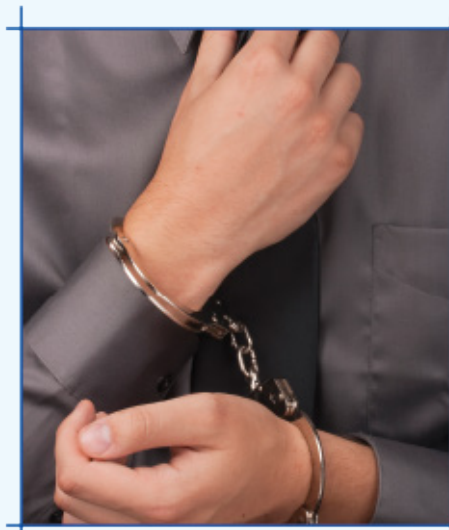
and the Deputy Public Prosecutor. Presently, the files are moved along from person to person, creating redundancies and delays, especially when further investigation or action is required.

### Initiative: Project Management Office on Prevention

A recent Royal Commission report on the investigation methods of the MACC found the corruption agency to have "serious weaknesses in attitude". Allegations include brutality in interviews, arrogance and generally having a poor relationship with the public and other agencies. These allegations are further borne out by the declining CPI ranking of the country.

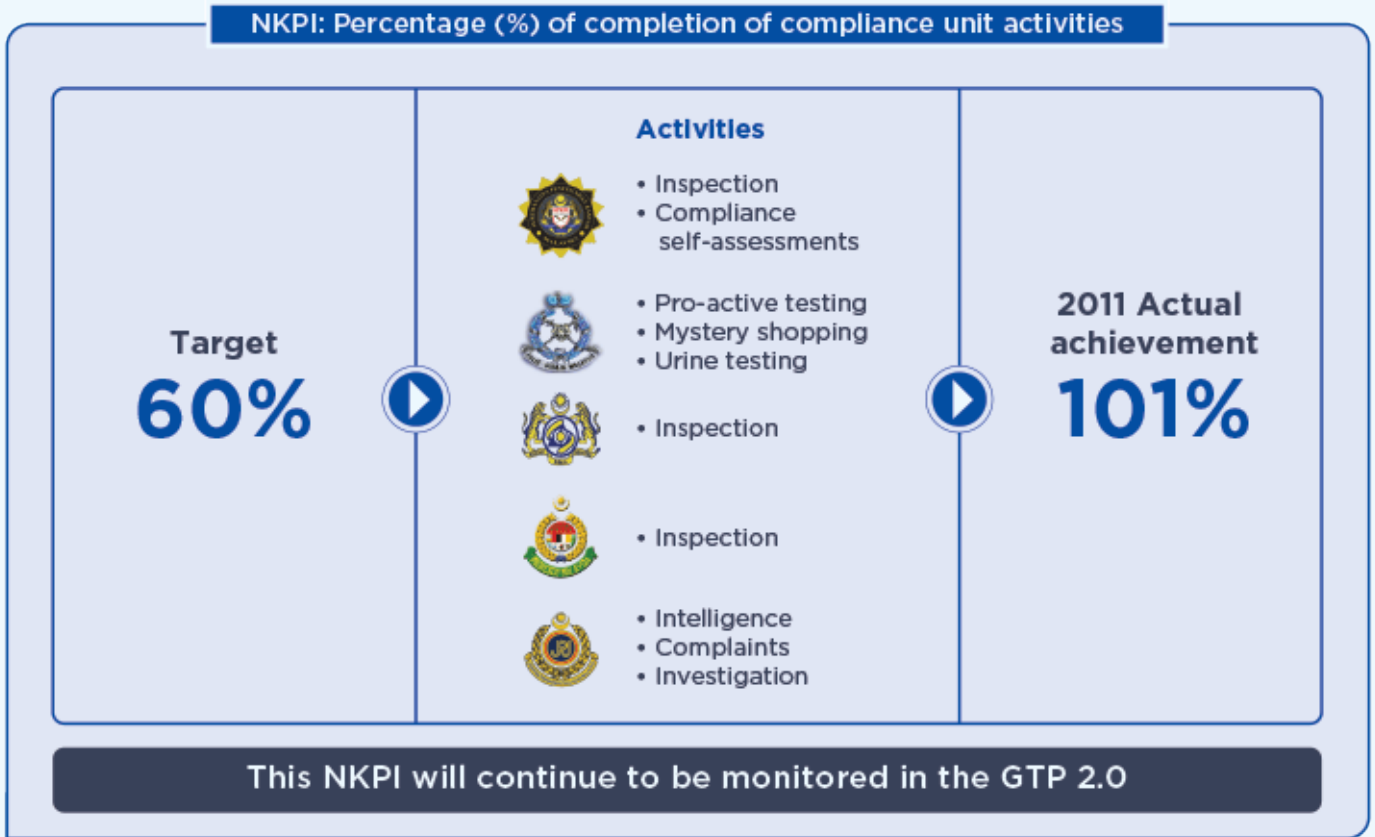
This initiative is the next phase in the plan to transform the MACC into a more formidable agency.

A Project Management Office on Prevention will also be set up under the MACC under a proposal by the Executive Transformation Committee (Jawatankuawa Eksekutif Transformasi or JET). The goal of the Prevention Office is to further specify and improve preventative measures to be undertaken by the MACC, which includes community outreach programmes, inspection and consultancy, and also management integrity programmes.



**Initiative: Monitor compliance units of the enforcement agencies**

The GTP 1.0 had established compliance units in all five key enforcement agencies, and the work going forward is to ensure that those compliance units are meeting their performance targets.



**Figure 4:** A new NKPI was introduced in 2011

**Initiative: Monitor 'Name and Shame' database**

The 'Name and Shame' database will be continued the names of all persons convicted of corruption will be uploaded on the website within two weeks of their conviction. The publicly viewable website is to serve as a further

deterrent to those considering taking the easy way out. Furthermore, as per the example already set by the US Embassy, other embassies are considering using the Name and Shame database in deciding whether or not

to issue travel visas to listed offenders. There is therefore a very practical, negative consequence of being listed in the database.

**Initiative: Corporate Integrity System Malaysia (CISM)**

One of the key components of the comprehensive Corporate Integrity System Malaysia is the Corporate Integrity Pledge (CIP) introduced in the GTP 1.0. In addition to the various codes of conduct and best practices in Malaysia, the CIP is an additional tool encouraging companies to develop their own anti-corruption programme.

The CIP is a document that pledges a company to upholding the Anti-Corruption Principles for Corporations in Malaysia in the conduct of its business and in its interactions with business partners and the Government. By signing the Pledge, a company is declaring that it will not commit corrupt acts and will work towards creating a business environment that is free from corruption.

Companies that sign the CIP will be listed in the register of signatories on the CISM’s website at [www.cism.my](http://www.cism.my). Once the company has signed the Pledge, companies must endorse the Anti-Corruption Principles which sets out do’s and don’ts for corporations that demonstrate their continuous commitment towards creating a business environment that is fair, transparent and free from corruption.

Although the Pledge is signed on a voluntary basis, companies will be strongly encouraged to sign it as there is a plan to incorporate corporate liability in the legal framework of fighting corruption. The MACC will also be tasked with investigating incidences of corruption in the corporate sphere

(please see **Grand Corruption Workstream**), which provides an additional impetus for companies to take the issue of corruption more seriously.

On a broader scheme, the GTP 2.0 will see the CISM streamlined, with roles and responsibilities for roundtable members realigned. The process of becoming a signatory will also be improved to streamline eligibility, assessment and reporting. The target is to have approximately 150 government-linked companies and private companies representing 90% of Bursa Malaysia’s market capitalisation sign integrity pledges.



**Figure 5: Corporate Integrity Pledge Value Chain**

The signing of the CIP is only the first step for the corporations as they will then have to take several steps to ensure that they comply with the pledge. The first stage is a self-assessment process

where companies will develop an assessment and improvement plan to strengthen their own integrity systems. The plan is then implemented, which includes the establishment of the

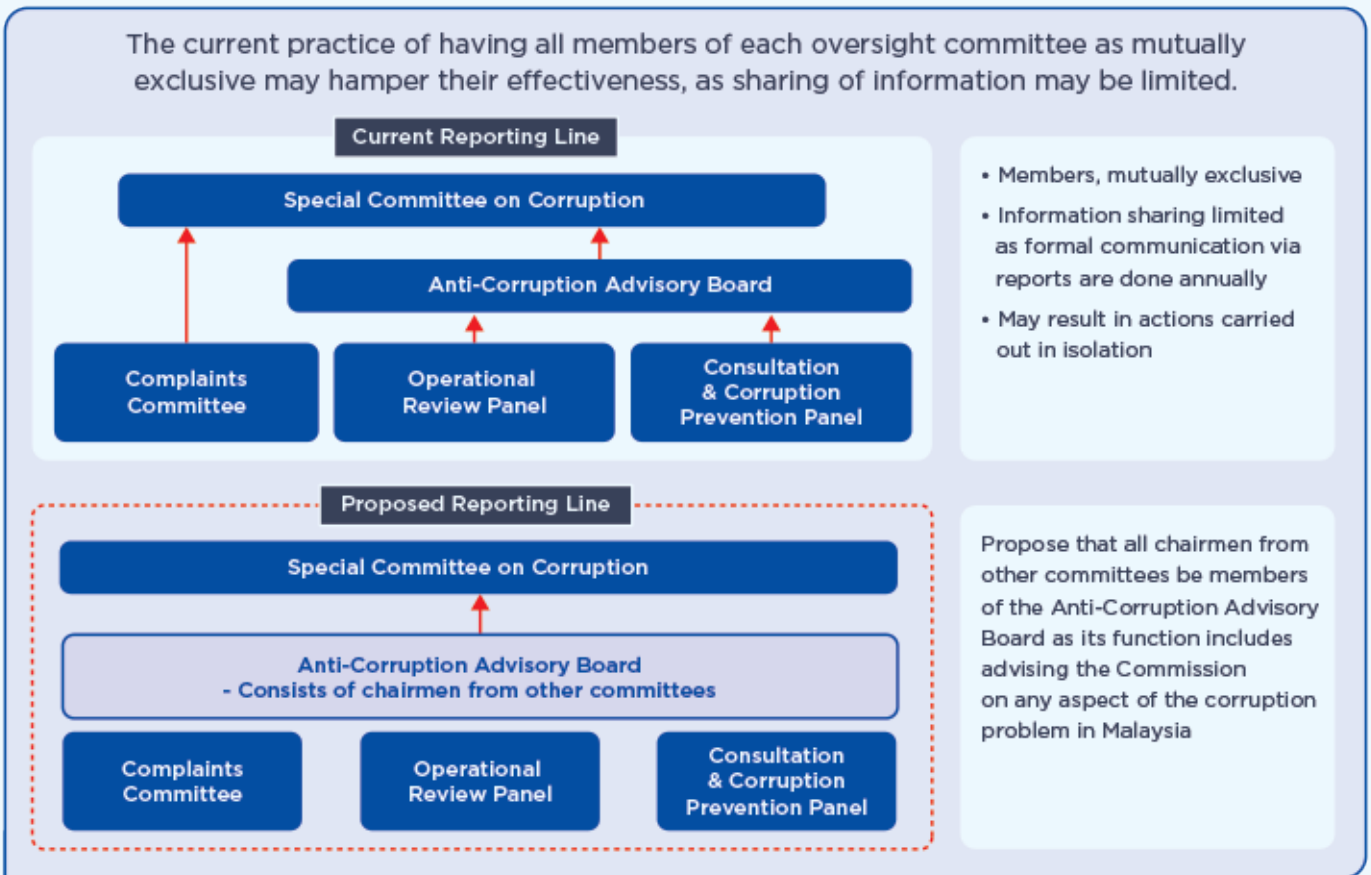
appropriate infrastructure and training for staff. Finally, the companies will include these anti-corruption elements in their audits, as well as highlight them in their annual reports.

**Initiative: Streamline oversight committees**

Five external oversight committees – the Special Committee on Corruption, the Operations Review Panel, Consultation and Corruption Prevention Panel, Anti-Corruption Advisory Board and the Complaints Committee – were

established to function as the check-and-balance for the MACC. However, as independent bodies, their effectiveness has been limited owing to a lack of information sharing. To remedy this situation, the reporting

lines will be funnelled through an Anti-Corruption Advisory Board, which will comprise of the chairmen from all other bodies, and the Board will then report directly to the Special Committee.



**Figure 6: Changing the reporting lines of the corruption oversight committees**

In addition to the initiatives mentioned, MACC will review the need for it to be a Service Commission to ensure independence and competency.

## 2 Grand Corruption

Surveys show that the rakyat perceives Grand Corruption to be the biggest corruption issue facing the country, and the GTP 2.0 will build on the work already started in the GTP 1.0 to further combat corruption in this area. The initiatives will put up further deterrent measures to combat grand corruption and may posit legal reforms such as the amendment of the MACC and the Registrar of Societies Act.



### Initiative: Complete prosecution of corruption cases within one year

This is a continuation of the initiative set in the GTP 1.0 to expedite corruption cases through the establishment of special corruption courts in the judicial

system. The initiative will be monitored to ensure that corruption cases continue to be speedily resolved. The KPI for this initiative is to have 85% of all corruption

cases tried in 2013 to be completed within a year. This benchmark will be further raised to 90% and 95% for the following two years.

### Initiative: Improve political financing governance framework

Presently, in many cases, a portion of donations meant for political parties are siphoned by middlemen. Due to a lack of guidelines, donations meant for political parties may be kept in individual accounts instead of party accounts. When caught or questioned by enforcement agencies like the MACC, for example, these middlemen often say that they were merely 'holding' the money for political parties.

This initiative aims to prevent internal leakage of funds meant for parties:

- First, all political financing meant for political parties must be held in party accounts, not individual accounts.
- Second, the immediate issuance of receipts upon point of reception of all contributions to political parties will be mandatory.
- Third, all donations must be properly recorded and accounted for in enough detail and according to Generally Accepted Accounting Standards. Party accounts will be externally audited.

- Fourth, when donations are collected or held by third parties on behalf of political societies, all funds must be transferred to party accounts within 14 days of collection.

The Registrar of Societies (ROS) will lead this initiative. The ROS will draft an amendment to the Societies Act 1966 on specific procedures to govern the financing of societies. The ROS will also study the possibility of this initiative being enforced on societies in general. This amendment is aimed to be tabled in Parliament by June 2013.

Effectively, this means that donors and parties will have a system to track leakages of political donations. The MACC and other enforcement agencies will be able to press charges against middlemen who cannot now "hold" money meant for political parties.

The ROS must take proactive measures to prove its independence and effectiveness as an enforcement agency

to the rakyat. Ultimately, the most important factor for the success of this initiative is political will.

Going forward, there is still a need for a more comprehensive approach to regulate Malaysia's political financing framework. The ROS and other government agencies will also look into introducing a new political financing law that will include elements of public disclosure.

In future, the ROS will need to review Section 10(2) of the Societies Act to ensure that the existing legal framework supports public disclosure. Further study is needed for this legal framework to govern donations to individual politicians and other non-profit organisations that are linked to politicians. The Government will also look into state funding for all elected representatives (Members of Parliament and state assemblymen).

### Initiative: Insertion of Corporate Liability Provision into the MACC Act

Currently, the MACC Act 2009 does not have any special provisions for corporate liability, hence only individuals are charged for corrupt practices even when the action was carried out on behalf of a company. A recommendation from the United Nations Convention against Corruption (UNCAC) as well as the Organisation

for Economic Co-operation and Development (OECD), the extension of liability to the corporate body can be a powerful legislative tool to deter corruption.

The enactment of this provision will provide companies with an impetus to strengthen their internal processes to

fight corruption as the company itself could be punished if its employees are found guilty of corruption. At present, only individuals and persons can be charged under the existing MACC Act, although Section 11 of the Criminal Code does define a corporate entity as a “person”.

This initiative, however, will make explicit the liability of companies, even if the corrupt practices do stem from their staff. Ultimately, the initiative looks to motivate companies to implement the measures contained within the Corporate Integrity System Malaysia initiative.

**Tools to help companies in strengthening anti-corruption measures**

**Guidelines for Best Business Practices on Corporate Integrity**



**Corporate Integrity Pledge Signatories will undergo stringent assessment of anti-corruption measures**

Sign



Self assessment



Action plan



Reporting

**Figure 7:** Corporate liability provision will motivate companies to strengthen their anti-corruption measures

### 3 Government Procurement



The establishment of the MyProcurement portal is a good first step but there is still a significant way to go in the fight against graft and corruption in the area of government procurement. The Auditor General's (AG) Report notes that there are possible loopholes in the management of public funds, and initiatives under this workstream will aim to close those loopholes.

#### Focus Area: Transforming the AG reporting process

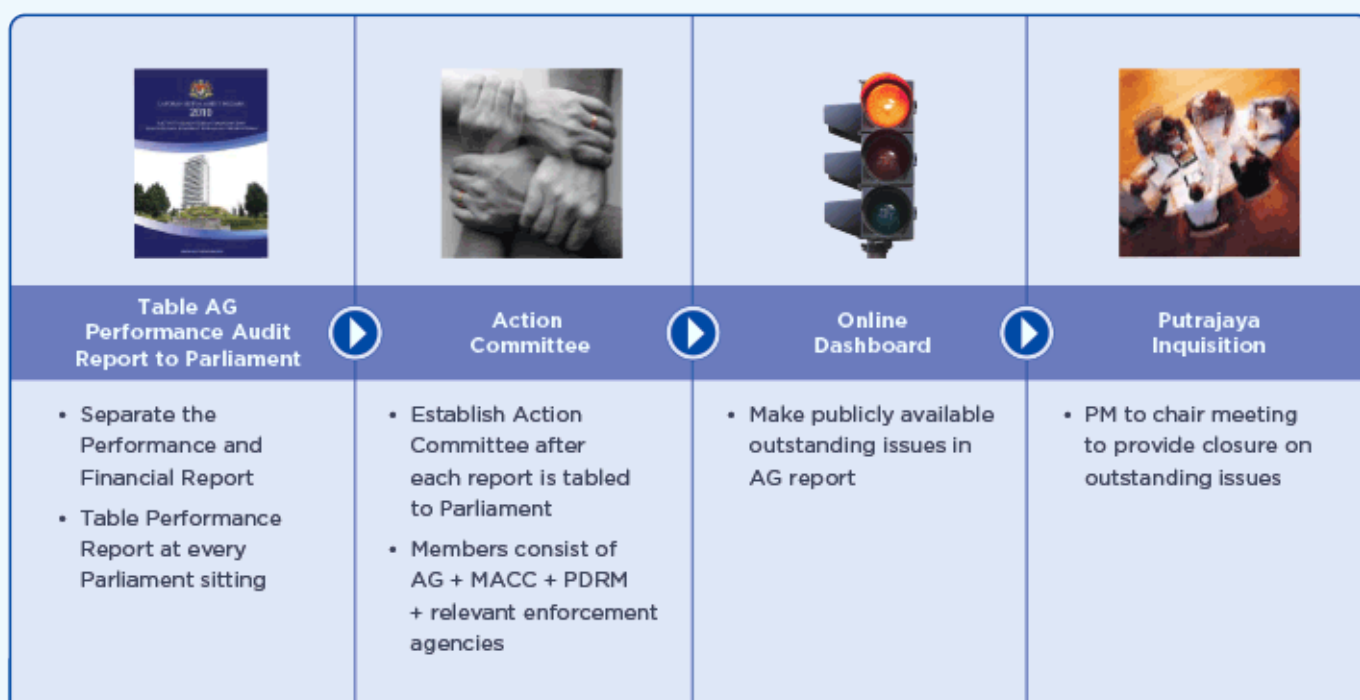
The AG Report is an important document keeping tabs on the Government's financial transactions, and is a key tool in identifying possible cases of corruption involving the Government. The report, which is presently tabled to Parliament once a year, does not only audit the Ministry's finances, but also raises issues and questions on the performance of government projects.

concerns or recommendations arising from the report have led to unfavourable public perception over the ability of the Government to act on cases of corruption and fraud. As most of these problems pertain to the current reporting process, the Anti-Corruption NKRA has proposed the implementation of four new initiatives in the GTP 2.0 to streamline the AG reporting process.

that can be discussed in Parliament. Hence, the *Fast-tracking access to AG Performance Audit Report for Immediate Action* initiative will highlight the importance of separating the Financial Audit from the Performance Audit to create a more digestible Performance Audit, which will be tabled at every Parliamentary sitting, or at a minimum of thrice a year.

Although the report is a crucial check-and-balance tool, delays and government inaction in addressing

Furthermore, as a once-a-year report, the AG report contains an overwhelming amount of information, with more issues



**Figure 8: The value chain of initiatives under the Auditor General's report**

When implemented, these new initiatives will ensure that there are speedy and timely responses to the findings of the AG report. They will also ensure that the backlog of old cases are cleared up as quickly as possible,

putting to rest cases that may have tied up parties for years.

Meanwhile, new measures will be put in place to ensure that such a backlog of cases does not build up again, assuring the public that cases of corruption

identified by the AG are given the necessary attention they deserve. The goal of transforming the AG reporting process is to renew faith in the efficiency and effectiveness of the AG Report as a check-and-balance tool.

### Initiative: Fast-tracking access to AG Performance Audit Report for Immediate Action

Every year, the AG tables a report in Parliament that contains two components: a Financial Audit and a Performance Audit, which addresses the activities and processes of the Ministries. However, under the secrecy provisions under Section 8 of the Audit Act 1957, the AG cannot release any information prior to the report's tabling in Parliament. This means any evidence of corruption or abuse of public funds cannot be shared with relevant enforcement agencies beforehand thereby further delaying the prosecution of corruption cases.

Moreover, the AG's report is only tabled once a year – usually in October – preventing any action to be taken against culpable parties or individuals until that date has passed. Meanwhile, those under investigation can take the opportunity to tamper with evidence or otherwise influence circumstances such that when the investigation does take place, the MACC will find their work all that much more difficult to do.

This initiative calls for the AG's performance audit report to be fast-tracked so that the report is tabled

every time Parliament sits, or a minimum of thrice yearly. In doing so, cases of corruption and misconduct can be more easily identified, and the period between the issuance of the audit and the investigation process of enforcement agencies can be fast-tracked by up to 12 months. The target set for the delivery of the first Performance Audit Report to Parliament is between March and April of 2013.

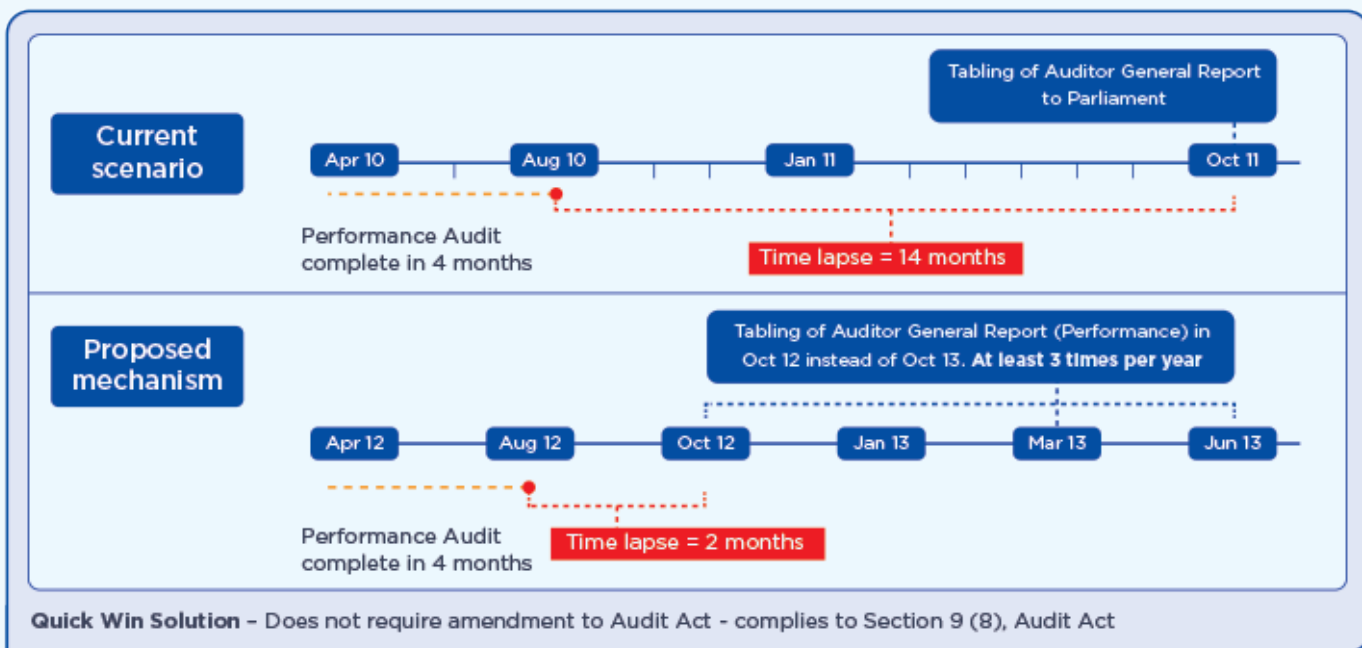


Figure 9: Fast-tracking access to AG Performance Audit Report for immediate action

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### Initiative: Action Committee on AG Report

This initiative calls for the establishment of an Action Committee chaired by the AG's office, which will be convened after every Performance Audit report is tabled at Parliament. This committee will be formed by the auditors involved as well as MACC officers and related enforcement agencies in order to better facilitate the investigation process.

This committee enables the sharing of information between the AG and MACC and relevant enforcement agencies so that decisions on cases can be made quickly and decisively. Moreover, the AG can also use this committee to better provide direction to the MACC and other enforcement agencies in the matters'

investigation, thereby increasing the efficiency of the investigation process.

The Action Committee will be convened for the first time after the tabling of the first Performance Audit Report to Parliament, expected between March and April of 2013.

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### Initiative: AG's online dashboard

Public sentiment about the follow-through on the recommendations of the AG report is disheartening, with much anecdotal evidence from blogs and online news portals suggesting that the rakyat is unhappy with the lack of action taken. The establishment of an online dashboard serves to:

- Update the public on outstanding issues in AG's Report

- Promote transparency
- Induce pressure to expedite resolution of issues
- Improve public perception

The dashboard is essentially a status report on outstanding cases that are currently undergoing investigation or have yet to be investigated by the relevant authorities. Reports will be

submitted to the AG on a weekly basis using a Traffic Light system and will be published online for the rakyat's benefit.

The dashboard was implemented in June 2012, and the first formal review of its effectiveness will be conducted at the end of 2013.

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### Initiative: Putrajaya Inquisition

Given the large backlog of cases identified by the AG that have yet to receive any action, the NKRA is calling for the establishment of an inquisitorial committee chaired by the Prime Minister and other relevant ministries and agencies to expedite the investigation

of old cases. The Anti-Corruption NKRA believes that a focused look at these old cases, particularly under the oversight of the Prime Minister, will provide the impetus to the various agencies to consider the recommendations seriously and take the necessary action. The

Inquisition's main goal is to clear the backlog of cases, and is expected to be held for two or three years. It will cease to function once the backlog has been cleared.

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### Other supporting Initiatives

In order to ensure continued independence of the Auditor General's Office, the AGO is currently reviewing the need for it to be a service commission.

Also, in the short term, there are plans to introduce a new Ministerial Key Performance Indicator for all Ministers to monitor outstanding issues in the AG's report.

## Other procurement initiatives

### Initiative: Upgrading MyProcurement and integration with related procurement portals

The establishment of the MyProcurement web portal in the GTP 1.0 was a good first step towards greater transparency, but it has quickly become evident that more could be done to further reduce the incidences of corruption in the area of government procurement. The GTP 2.0 will see new

initiatives that will further enhance the procurement web portal.

Despite the successes and laurel awarded to the country's MyProcurement website implemented as part of the GTP 1.0, there remains scepticism on the part of the rakyat

regarding the efficacy of the portal. For instance, only 26% of the rakyat think that the web portal has improved transparency in the government procurement process, while only 32% are aware that government contracts are published online.



**Figure 10: Increasing transparency in the government procurement process**

SOURCE: Study of GTP Impact Assessment in Malaysia, 2012, conducted by Frost & Sullivan

Furthermore, the diverse number of existing procurement portals implemented by other government bodies creates inefficiencies as they are each designed with different operating systems that cannot communicate and hence 'sync' with one another. For instance, the Ministry of Finance presently utilises four different procurement portals, which were designed with different systems that cannot communicate with one another.

The plan is to enhance MyProcurement to be the "Landing Page" for government procurement by integrating it with the various other portals. This






will turn MyProcurement into a one-stop site that will provide an umbrella view of all the government's e-procurement practices.

The GTP 2.0 will also see improvements made to MyProcurement, namely to publish results on direct negotiation deals and details of government procurement, such as advertisement of quotation and tender as well as tender documents and tender results for the public's view, and hence allow greater transparency in the government's procurement process. In addition to that, a database on market price will be made available to assist Ministries

in benchmarking product prices. Ministries will also be asked to publish procurement plans to allow for better monitoring of Ministry procurements.

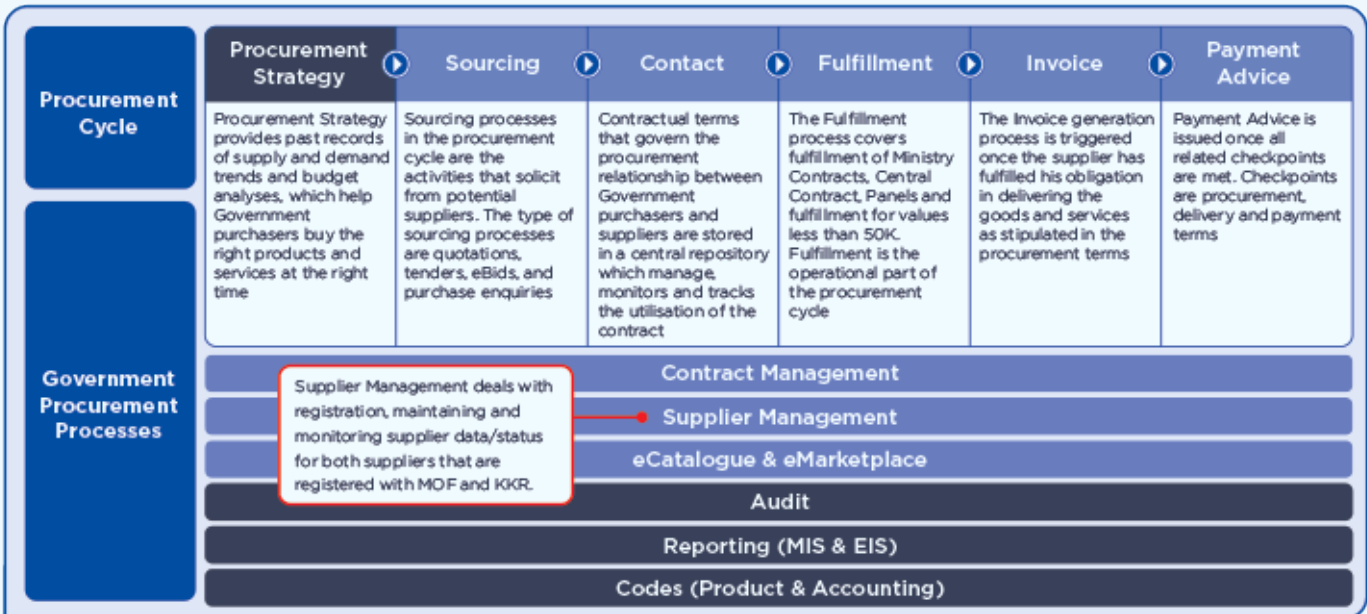
The enhanced site will also provide information on past procurement records, sourcing and contractual information, and services such as invoicing and payment advice (see figure on following page). The integration process of MyProcurement with other portals should be completed by 2014, and the rollout to the public in 2015.

### Other issues related to online government procurement portals

	Owner	Tender Result	Database on market price	Procurement plan	Advertisement
	MoF	●	●	●	●
	MoF	●	●	●	●
	MoF	●	●	●	●
	KKR	●	●	●	●
	MoF	●	●	●	●

● Available    ● Not Available

**Table 2:** A comparison of government procurement portals



**Table 3: Government Procurement System 2.0 Enhanced Application Flow**



#### 4 Education and Public Support

This new workstream introduced in the GTP 2.0 was tailored specifically to address the lack of understanding and the issue of corruption among students. Independent surveys show that students have become more tolerant of corrupt practices, which does not bode well for the long-term fight against corruption. This workstream aims to catch them young and to inculcate correct values during their formative years.

##### Initiative: Incorporate anti-corruption education into the textbooks for Primary 4 to Form 5

A comparative study conducted by Universiti Kebangsaan Malaysia (UKM) and MACC showed that a growing percentage of students are internalising

and becoming more accepting of corrupt values and practices. As such, the Anti-Corruption NKRA feels that proper remedial action must be taken at

these formative levels to inculcate right habits in the country's future.



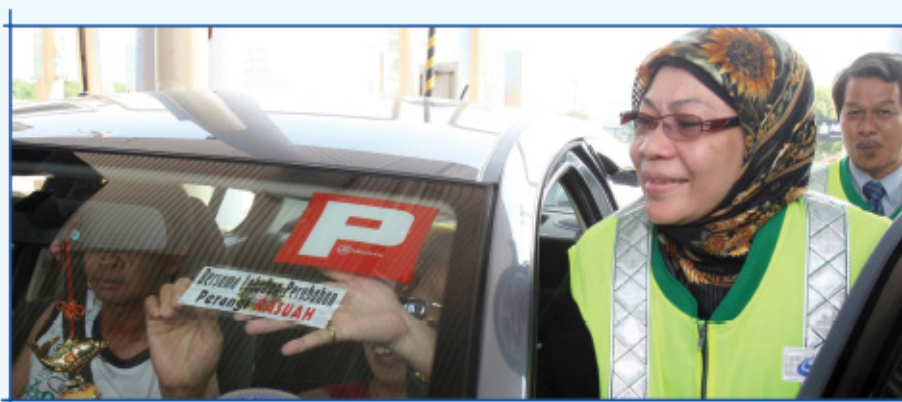
Experience	2002	2007
Have given something to 'smoothen' transactions	4.2%	16.1% ↑
Have been offered a bribe	N/A	11.2%
Have witnessed bribes being offered/asked for	21.2%	26.7% ↑
Value	2002	2007
It is OK to give bribes to 'smoothen' transactions	15.0%	26.8% ↑
It is OK to accept bribes	5.1%	16.3% ↑
It is OK to accept bribes if people don't find out	8.7%	23.5% ↑
It is OK to accept bribes if you have the power to approve contracts and tenders	10.4%	21.1% ↑
It is not wrong to accept gifts from people who apply for tenders or contracts	37.6%	48.9% ↑

**Table 4: Results of a comparative study on student attitudes towards corruption**

SOURCE: Joint study between UKM and the MACC (2002 and 2007)

The chief goal here is to help groom a future generation that not only understands the need to not be corrupt, but to also arm them with the proper tools and mentality to support government efforts to stamp out corruption in future. This means also ingraining a sense of ownership over the problem of corruption in our students, stressing the need for them to cooperate with the MACC in combating corruption in the future.

The MACC is tasked with identifying key messages on anti-corruption, which can then be integrated into existing primary and secondary school textbooks. This will then be followed by an awareness-creating session within the Curriculum Development and Textbook Divisions



of the Ministry of Education where the current attitudes of students towards corruption will be discussed.

The session will outline fully the key messages that the MACC has identified, after which these messages will be

included in Primary 4 to Form 5 textbooks based on discussions with the Ministry of Education.

The targeted date for the inclusion of Anti-Corruption education into the curriculum is November 2013.

<b>What is corruption?</b>	<ul style="list-style-type: none"> <li>• To define corrupt practices and the types of offences.</li> <li>• Differentiate between gifts and corruption.</li> </ul>
<b>Why does corruption happen?</b>	<ul style="list-style-type: none"> <li>• Able to identify why corruption exists.</li> </ul>
<b>What is the impact towards the individual and society?</b>	<ul style="list-style-type: none"> <li>• Able to understand the impact/consequences of corrupt practices on the individual, family, society and country.</li> <li>• Use of real case studies to ensure comprehensive understanding of the impact of corruption.</li> </ul>
<b>What can you do to stop corruption?</b>	<ul style="list-style-type: none"> <li>• Able to understand that every individual plays a part in stopping corruption; saying no to corruption.</li> <li>• Promote moral courage; to stand up for what is right.</li> <li>• Report corruption cases to authorities.</li> </ul>
<b>What is the role of the MACC?</b>	<ul style="list-style-type: none"> <li>• Able to understand the role of the MACC in fighting corruption.</li> <li>• Able to promote support for the MACC towards fighting corruption by introducing the MACC Hotline and Agent Lang.</li> </ul>

**Table 5: Key messages to be included in the anti-corruption curriculum**

**Initiative: Establishing Corruption Prevention Secretariats in Institutes of Teacher Education**

This initiative will see the establishment of Corruption Prevention Secretariats in all institutes of Teacher Education after an earlier pilot programme, which established the secretariat in 20 public universities since 1997, was found to be delivering results. A study

in 2011 in those schools showed that the percentage of attendees who had a better understanding of corruption increased to 80.4% from 48.6% after attending programmes organised by the secretariat. This initiative is geared towards the introduction and training

of teachers who will become key communicators to students in the fight against corruption. Secretariats will be established in all 27 teaching institutes by October 2012.

**Initiative: Training for Members of Parliament**

The Perception of corruption in politicians has remained very high among the rakyat, with 42% of the public believing that political institutions are corrupt. In an effort to remedy this problem, an initiative has been set up in the GTP 2.0 to create further awareness and improve the understanding of Members of Parliament in corruption related offences, penalties and impact.

It will be mandatory for MPs to attend the annual training event in order to remind them and to improve their own understanding, which will hopefully translate into action. The training will be conducted by the Malaysian Anti-Corruption Academy three times a year. The first training session will commence after the 13th General Election.





# Summary of Initiatives

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## Enforcement Agency



- Special Committee on Corruption
- Executive review committee in MACC
- Project Management Office on prevention
- Monitor compliance unit activities
- Monitor 'Name and Shame'
- Corporate Integrity System Malaysia
- Streamline oversight committees

## Grand Corruption



- Complete prosecution of corruption cases within one year
- Improve political financing governance framework
- Insertion of Corporate Liability Provision into MACC Act

# Government



## Procurement

- Fast-track access to Auditor General's Performance Audit Report
- Action committee on AG report
- Auditor General's online dashboard
- Putrajaya Inquisition
- Implementation of comprehensive Integrity Pact for PPP projects
- Upgrade MyProcurement and integration with other procurement portals
- Guidelines for middlemen/lobbyist

# Education and



## Public Support

- Setting up of Corruption Prevention Secretariat in Institutes of Teacher Education
- Training of Members of Parliament
- Incorporate anti-corruption element in Primary 4 to Form 5 textbooks