

# **NATIONAL ANTI- CORRUPTION PLAN**

**2019-2023**



**PRIME MINISTER'S DEPARTMENT**

# BREAK THE CORRUPTION CHAIN

“The Government’s commitment is to achieve the aspiration for Malaysia to be known for her integrity and not corruption”

Tun Dr Mahathir Mohamad  
Prime Minister of Malaysia



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# THOUGHTS FROM THE LEADERSHIP



# Statement of Vision

Before 9<sup>th</sup> May 2018, most Malaysians were disgusted with the rampant corruption in the country involving the Government which was internationally described as kleptocracy. They expressed their disgust through the ballot box leading to the change of Government, removing a party/coalition which had ruled the nation since independence. It is therefore imperative for the new Government to always be reminded that the single most burning issue which was capable of bringing down a 61-year old Government was its corrupt practice.

The new Government under the Pakatan Harapan coalition, is committed to combat corruption. For this it had, since it took over the nation's governance, undertaken measures and introduced policies that are unique and innovative. The Government will ensure this effort is implemented to protect the rights of the people, to stop leakages of public funds, to strengthen our national security and to spur economic growth. This effort is also in line with Article 5 of the United Nations Convention Against Corruption (UNCAC) and the Kuala Lumpur Statement on Anti-Corruption Strategies in 2013.

Moving forward, we have developed the National Anti-Corruption Plan (NACP) to achieve the aspiration of "Malaysia to be known for her integrity and not corruption". The plan was created after considering perspectives from stakeholders to enable us to align our strategies towards achieving its vision. We are also addressing corruption by promoting transparency, accountability and integrity in all Government's administration as per outlined in the Sustainable Development Goal (SDG), Goal 16 which is to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. Leadership by example is an effective way to achieve a state where every citizen does not condone corrupt practices. Leaders of the country must show their commitment against corruption at the outset and followed down the line by various sectors, organisations, and every family unit in the community at large. It must be embedded in the mind of all Malaysians that it is critical for us to combat corruption if we want to achieve developed nation status. We strongly urge every head of departments, be it public sector, private sector, public interest entities, state-owned enterprises and non-governmental organisations to be together in this effort. We will uphold the rule of law, apply the principles of transparency, accountability, and integrity as well as good governance when exercising our authority or power.

These will be the foundation in our effort to get rid of corruption and shape a corrupt-free ecosystem for the future generation.

We sincerely believe if we are successful in this endeavour, Malaysia will regain its deserving stature.



**Tun Dr. Mahathir bin Mohamad**  
Prime Minister of Malaysia  
29<sup>th</sup> January 2019

# STATEMENT OF COMMITMENT

The National Anti-Corruption Plan (NACP) is an anti-corruption policy in Malaysia that reflects the people's expectations for a greater corrupt-free nation that promotes transparency, accountability and integrity culture in every Malaysians.

This integrated anti-corruption plan, is the first of its kind to be formulated in the country, is in line with Article 5 of the United Nation Convention against Corruption (UNCAC) to which Malaysia is a member party to the convention. To develop the NACP, we were guided by the "National Anti-Corruption Strategies: A Practical Guide for Development and Implementation" by the United Nations Office on Drugs and Crime (UNODC) and received support from the relevant stakeholders in particularly the Malaysian Anti-Corruption Commission (MACC) and the National Audit Department. Furthermore, a collaborative effort with myForesight®, Malaysian Industry-Government Group for High Technology (MIGHT) had produced a thorough and valuable future anti-corruption scenario planning until the year 2030.

The strategies in this plan are the results of series of deliberations and consultations conducted with the public and private sectors, the business and media communities, NGOs, anti-corruption experts and academicians. In addition, a number of recommendations and reviews from international initiatives were also taken into account during the drafting of the plan. These include recommendations by the G20 countries as well as the recommendations made from our 1<sup>st</sup> and 2<sup>nd</sup> Cycles of the Review of Implementation of the United Nations Convention against Corruption (UNCAC).

In order to ensure the successful implementation of this plan, we would like to emphasise that various actors have been identified for the purpose of carrying out the planned initiatives. By collaborating to counter the debacle of corruption, we will be creating a new era of a fair and just system based on transparency, accountability and integrity. This, we believe will increase people's confidence, thus bring Malaysia to a greater heights. This plan will be the main reference and acts as a guide for all Government agencies and other relevant entities in developing their respective Organisational Anti-Corruption Plan (OACP). The OACP should be thorough enough to cover issues that need to be addressed internally.

We sincerely hope that this plan will help achieve Malaysia's vision towards being a corrupt-free nation by the year 2023. Malaysia needs all our support and commitment to put an end to any form of corruption.



A stylized white signature of Datuk Seri Dr. Ismail bin Haji Bakar on a black background.

**Datuk Seri Dr. Ismail  
bin Haji Bakar**

Chief Secretary  
to the Government  
of Malaysia



A stylized white signature of Tan Sri Abu Kassim bin Mohamed on a black background.

**Tan Sri Abu Kassim  
bin Mohamed**

Director General  
National Centre for  
Governance, Integrity  
and Anti-Corruption  
Prime Minister's Department



A stylized white signature of Dato' Sri Mohd Shukri bin Abdull on a black background.

**Dato' Sri Mohd Shukri  
bin Abdull**

Chief Commissioner  
Malaysian Anti-Corruption  
Commission

# Parameters of the National Anti-Corruption Plan (NACP)

The word “corruption” originates from the Latin ‘corruptus’ (spoiled) and ‘corrumpere’ (to ruin; to break into pieces). By mid of 14<sup>th</sup> century, corruption or ‘corruption’ referred to both the decay of the physical bodies and to the contamination of the soul and moral/spiritual state. In terms of the human-God and human-human relationships, corruption or *fasad* implies all manner of decadence and injustice, in regard to rebelling against the covenant with God and oppressing others, thus failing to recognise the rights of God, other humans and creations.

According to the Corruption: A Glossary Of International Criminal Standards released by the Organisation For Economic Co-Operation And Development (OECD), “the OECD, the Council of Europe and the UN Conventions do not define “corruption”. Instead, they establish the offences for a range of corrupt behaviour. Hence, the OECD Convention establishes the offence of bribery of foreign public officials, while the Council of Europe Convention establishes offences such as trading in influence, and bribing domestic and foreign public officials. In addition to these types of conduct, the mandatory provisions of the UN Convention also include embezzlement, misappropriation or other diversion of property by a public official and obstruction of justice. These conventions therefore define international standards on the criminalisation of corruption by prescribing specific offences, rather than through a generic definition or offence of corruption.”

Regardless of how corruption is defined today, one thing remains clear: integrity and governance are the twin solutions to the phenomenon; integrity being the ultimate cure of corruption. Simply put, there will be no corruption if humans were to act with integrity, that is, consistently doing the right thing even when nobody is watching their actions.

As such, integrity forms the nucleus of governance. Governance is defined by the United Nations Development Programme (UNDP) in its 1997 policy paper as “the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise legal rights, meet their obligations and mediate their differences”.

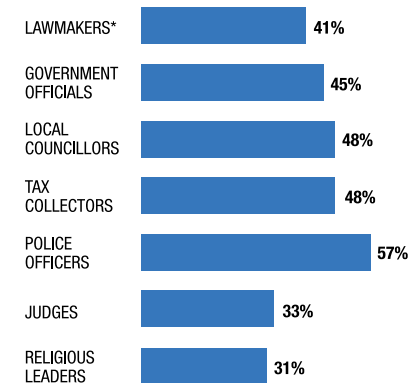
However, for the purpose of the NACP, given that integrity is recognised as a human issue, governance extended to also encompass, the human dimension as reflected in the principle of human governance. The premise that undergirds human governance is that once humans actualise human governance, they are in touch with their inner self and consciousness, resulting in the natural compliance with rules and observation of the mechanism, processes and procedures. The formulation of the parameters for the NACP is thus based on integrity and governance as being underpinned by this reality.

With such an approach to developing the NACP, Malaysia’s desire to bring to practice the axiom of “Living Correctly, Not Corruptly” represents a holistic undertaking. It is for this very reason that the NACP was drafted; to bring together all issues concerning integrity, governance and anti-corruption in one plan.

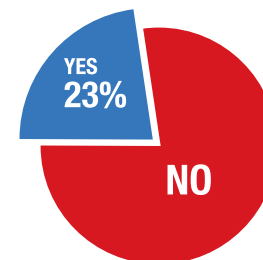
## CORRUPTION IN MALAYSIA: HIGHLIGHTS

### Who Malaysians Think are Corrupt

Percentage of respondents who think officials mostly involved in corruption



### Have you bribed public officials\*\* in the past year?



\* include officials in Prime Minister's office

\*\* six services: public schools, hospitals identification documents, utilities services police and courts

GRAPHICS: themalaymailonline.com

SOURCE: Global Corruption Barometer 2017, Transparency International, GIACC



# MALAYSIAN ANTI-CORRUPTION JOURNEY

2004

National Integrity Plan (PIN)

2010

Government Transformation Programme (GTP) 1.0

2012

Government Transformation Programme (GTP) 2.0

2019-2023

National Anti-Corruption Plan 2019-2023

**RM1.8 trillion** Amount lost through illicit financial flow between 2005 until 2014 of which some portion was corruption related

SOURCE: Global Financial Integrity Report 2017

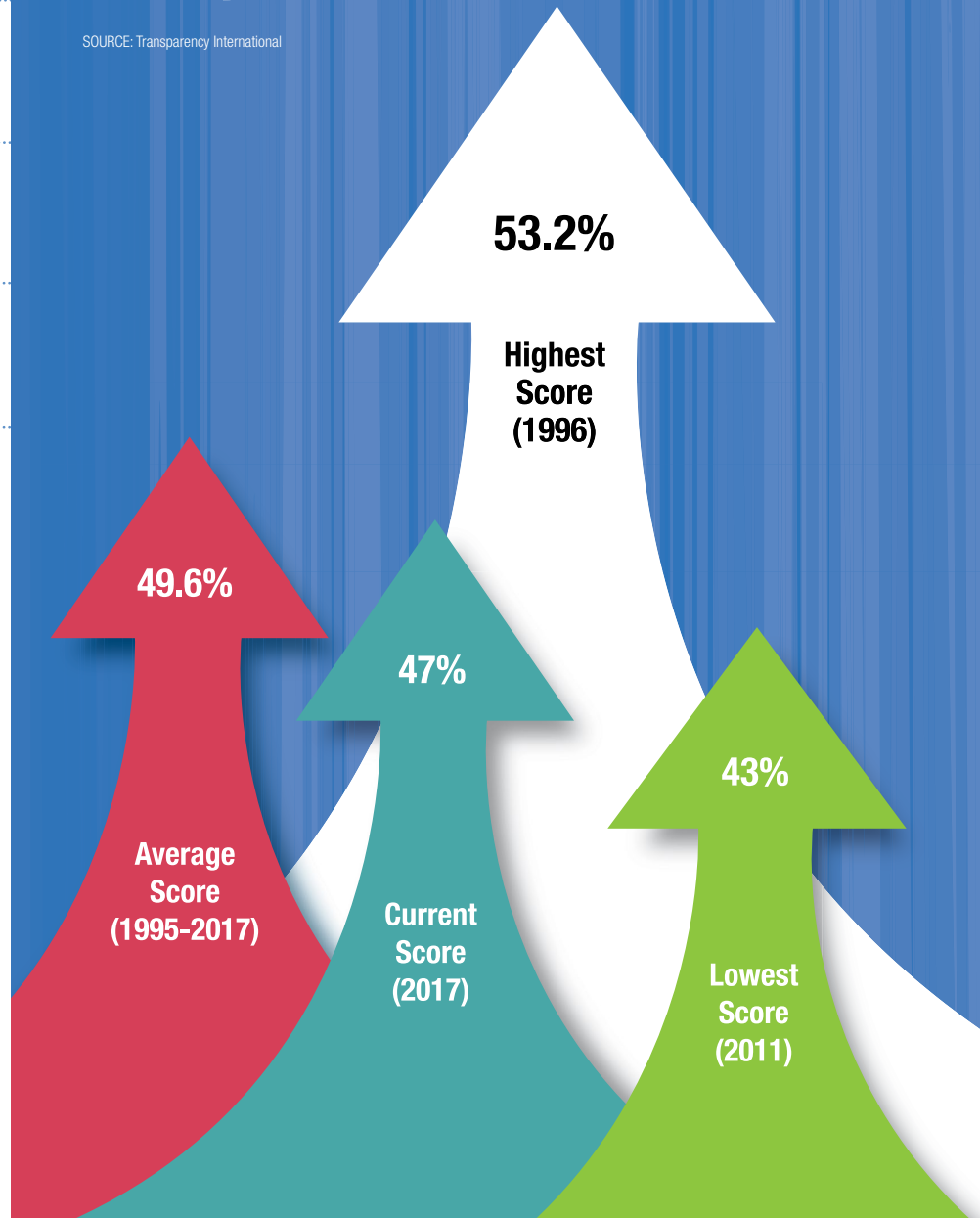
Sector most vulnerable to corruption

**63.30%** corruption complaints involve the **Public Sector**

SOURCE: Malaysian Anti-Corruption Commission (MACC)

# Corruption Perception Index (CPI) for Malaysia

SOURCE: Transparency International



# ABBREVIATIONS

<b>1MDB</b>	1 Malaysia Development Berhad
<b>ABMS</b>	Anti-Bribery Management System
<b>AGC</b>	Attorney General's Chambers
<b>Anti-COR NKRA</b>	National Key Result Area – Fighting Corruption
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>BICA</b>	Business Integrity Country Agenda
<b>BTI</b>	Bertelsmann Stiftung Transformation Index
<b>CAM-Corp</b>	Central Asset Management Corporation
<b>CCM</b>	Companies Commission of Malaysia
<b>CEO</b>	Chief Executive Officer
<b>CeIO</b>	Certified Integrity Officer
<b>CFS</b>	Contract For Service
<b>CLBG</b>	Company Limited By Guarantee
<b>CPI</b>	Corruption Perception Index
<b>EAIC</b>	Enforcement Agency Integrity Commission
<b>EC</b>	Election Commission of Malaysia
<b>FELDA</b>	Federal Land Development Authority
<b>GCB</b>	Global Corruption Barometer
<b>GFI</b>	Global Financial Integrity
<b>GIACC</b>	National Centre for Governance, Integrity and Anti-Corruption
<b>GLC</b>	Government-Linked Company
<b>GLIC</b>	Government Linked Investment Companies
<b>GTP</b>	Government Transformation Programme
<b>ICT</b>	Information and Communications Technology
<b>IPCMC</b>	Independent Police Complaints and Misconduct Commission
<b>IRC</b>	Institutional Reforms Committee
<b>JAR</b>	Anti-Corruption Committee ( <i>Jawatankuasa Anti-Rasuah</i> )
<b>JKKMAR</b>	Cabinet Special Committee on Anti-Corruption ( <i>Jawatankuasa Khas Kabinet Mengenai Anti-Rasuah</i> )
<b>JPM</b>	Prime Minister's Department ( <i>Jabatan Perdana Menteri</i> )
<b>M2M</b>	Machine to Machine
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MACC</b>	Malaysian Anti-Corruption Commission

<b>MARA</b>	People's Trust Council ( <i>Majlis Amanah Rakyat</i> )
<b>MEA</b>	Ministry of Economic Affairs
<b>MIGHT</b>	Malaysian Industry-Government Group for High Technology
<b>MOE</b>	Ministry of Education
<b>MOF</b>	Ministry of Finance
<b>MOHA</b>	Ministry of Home Affairs
<b>MS ISO</b>	Malaysian Standard International Organisation for Standardisation
<b>NACP</b>	National Anti-Corruption Plan
<b>NAD</b>	National Audit Department
<b>NKRA</b>	National Key Result Area
<b>OACP</b>	Organisational Anti-Corruption Plan
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PAC</b>	Public Accounts Committee
<b>PCB</b>	Public Complaints Bureau
<b>PIN</b>	National Integrity Plan
<b>PMD</b>	Prime Minister's Department
<b>PSD</b>	Public Service Department
<b>PWD</b>	Public Works Department
<b>RMP</b>	Royal Malaysia Police
<b>SC</b>	Securities Commission
<b>SDG</b>	Sustainable Development Goals
<b>SOE</b>	State-Owned Enterprise
<b>TI</b>	Transparency International
<b>TI-M</b>	Transparency International Malaysia
<b>TVET</b>	Technical and Vocational Education and Training
<b>UN</b>	United Nations
<b>UNCAC</b>	United Nations Convention against Corruption
<b>UNDP</b>	United Nations Development Programme
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>Wisma Putra</b>	Ministry of Foreign Affairs
<b>WJP</b>	World Justice Project

# Executive Summary

The original idea of the NACP came about during the 14<sup>th</sup> General Elections (GE14) as Pakatan Harapan began to put emphasis on efforts to ensure that Malaysia is known for her integrity instead of corruption. Moving fast-forward, the Cabinet Special Committee on Anti-Corruption (JKKMAR) chaired by the YAB Tun Dr. Mahathir bin Mohamad, the 7<sup>th</sup> Prime Minister of Malaysia, on 8<sup>th</sup> June 2018 decided that an integrated anti-corruption plan should be immediately drafted to address corruption issues in the country. Hence, the NACP was born and will become the Government's key document that outlines integrated course of actions in the fight against corruption.

The NACP's vision is to create a corrupt-free nation through three specific goals which are Accountability and Credibility of Judiciary, Prosecution and Law Enforcement Agencies; Efficiency and Responsiveness in Public Service Delivery, and Integrity in Business.

**Chapter 1 of the NACP** zooms into on some of the efforts carried out by Malaysia through the implementation of various initiatives right from 2004. However, some of the efforts such as to create transparency in asset declarations and gift management policy by Members of the Administration (including Prime Minister and Deputy Prime Minister), the introduction of Misconduct of Public Office provision, the setting up of an independent agency in managing seized and forfeited assets, the initiating of proper guidelines on lobbyists, demarcation of power between Ministers and Secretary-Generals were not followed through in its implementation. This is mainly due to lack of political will as the main factor hindering the initiatives planned back then in addressing issues of corruption,

integrity and governance. With the strong commitment shown by the new Government, the NACP was drafted to give a clear focus and direction for the Government to in fight against corruption between now and 2030.

Meanwhile, **Chapter 2** captures the scenario of corruption in the future. Towards this end, a scenario planning exercise has been implemented involving all relevant stakeholders and experts to identify issues and provide guidance with practical solutions. Such exercise identified shared visions and threats upon which six key strategies will formulated in efforts to root out corruption by 2023.

**Chapter 3** features six Priority Areas that are vulnerable to corruption. These six Priority Areas are Political Governance, Public Sector Administration, Public Procurement, Corporate Governance, Law Enforcement, and Legal and Judicial. From this six Priority Areas, the Plan further outlines the following 6 Strategies: Strengthening Political Integrity and Accountability, Strengthening the Effectiveness of Public Service Delivery, Increasing the Efficiency and Transparency in Public Procurement, Enhancing the Credibility of Legal and Judicial System, Institutionalising Credibility of Law Enforcement Agencies, and Inculcating Good Governance in Corporate Entity. These strategies lead to 17 Strategic Objectives which then produced 115 Initiatives to be implemented during the next five years.

**Chapter 4 of the NACP** further focuses on the monitoring and evaluation (M&E) aspect. An essential function of M&E is not only to monitor the progress made by all the relevant stakeholders but to ensure that the implemented measures are the most suitable initiatives to undertake. The ability to identify gaps in the implementation of certain initiatives and to adjust accordingly will help achieve the desired outcome.

With this in mind, it is high time to seriously explore human governance in driving efforts to enhance integrity, transparency and accountability. This can only be done with the highest commitment and cooperation by all parties right from the citizens to the political leaders. It is hoped that this plan will guide the nation and the people to move towards the path of a morally developed nation.

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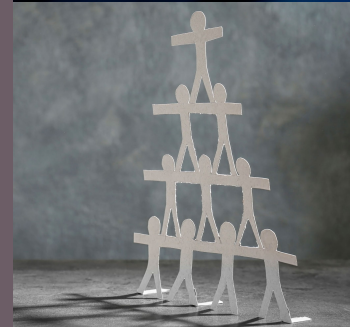
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# CHAPTER 1

## Introduction





# Background

As Malaysia embarks on the journey to become a developed and high-income status country, the fight against corruption has become the country's top most priority. Several national initiatives have been made beginning with the National Integrity Plan (PIN) which was launched in April 2004. PIN was designed with a detailed plan in line with the goal of establishing a society with high morale and ethics as being outlined in Vision 2020. The Government Transformation Programme (GTP), continues the principal of PIN through one of its seven National Key Result Areas-Fighting Corruption (Anti-COR NKRA).

GTP affirms that corruption must be fully eradicated in efforts to reduce the cost of doing business as well as to eliminate inefficiencies within the Government system. Corruption impedes both the transformation and the country's economic growth hence inhibit Malaysia's plan toward a developed country status.

The GTP 1.0 aimed at addressing the corruption issue through various broad-based anti-corruption initiatives right from the highest to the lowest level. The Anti-COR NKRA not only introduced programmes on corruption issues within the enforcement agencies, but also strengthened the Government's procurement in an effort to minimise corruption incidents. Despite Anti-COR NKRA's yielding positive results, the then-Government felt that there were still rooms for improvement with respect to eradicating corruption in the country. Thus, the GTP 2.0 was launched to better achieve the desired goals through more specific programmes. As the fight against corruption was a long-term battle, the GTP 2.0 served as a mechanism for improvement and effective monitoring of the existing initiatives under the GTP 1.0.

Nonetheless, international surveys like the Global Corruption Barometer and Corruption Perception Index still showed how significant number of Malaysians did not believe that the problem of corruption had improved. The surveys' results suggested that the transformation process needed to be accelerated and that more had to be done in order to raise the public awareness on corruption at all levels especially at formative stage. Corruption Perception Index (CPI) in Malaysia averaged 49.61 between 1995 and 2017, reaching an all-time high of 53.20 in 1996 and a record low of 43 in 2011. Worse still, since 2014, Malaysia's score had been continuously dropping from 52 to 47 in 2017.

Nevertheless, the score index can only represent a country's relative position in an international corruption ranking index. It cannot, however, represent, let alone measure accurately, the performance of an anti-corruption initiative in a particular country. This is also echoed by the Practical Guide for Development and Implementation on National Anti-Corruption Strategies published by the United Nations Office on Drugs and Crime (UNODC) when it explains that total reliance on score index can be confusing in developing strategies and establishing direction for fighting corruption. Therefore, in empowering anti-corruption initiatives in Malaysia, the new Government has decided to integrate all efforts on governance, integrity and anti-corruption under one integrated plan. Subsequently, a decision was made to draft and develop the NACP to replace the existing PIN during the Cabinet Special Committee on Anti-Corruption (JKKMAR) chaired by the Prime Minister on 8<sup>th</sup> June 2018. The NACP aims at establishing practical targets based on the initiatives to address national issues of corruption, integrity and governance to be undertaken during the next five years.





**PIN  
2004**

**GTP 1.0  
2010**

**GTP 2.0  
2012**

**NACP  
2019**

Contextualising the NACP within the international arena, it speaks volume of Malaysia's commitment toward achieving the Sustainable Development Goals (SDGs) agreed upon internationally to be undertaken by 2030. One of the goals, Goal 16: Peace, Justice and Strong Institutions, emphasises the importance of addressing corruption in order to achieve the SDGs. Goal 16 espouses the commitment to fight against corruption, increase transparency, tackle illicit financial flows and improve access to information. There exists a clear consensus among the UN member countries on the fact that should there be no action to reduce corruption, there will be serious impediment to achieving the other SDG's goals.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

**16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS**



**“Elite corruption is the most difficult to combat because of the power at the disposal of the elite unless there is a major political upheaval.”**

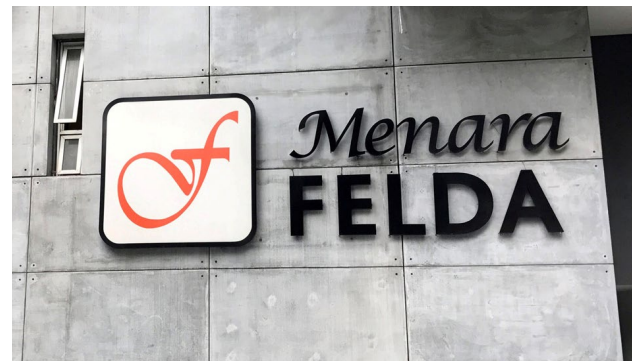
DYMM Paduka Seri Sultan Dr. Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfurlah

# Issues and Challenges

Based on the corruption trend in Malaysia over the last five years (2013-2018), the public sector has been the most vulnerable to corruption. Compared to the vulnerability rate of 17.06% in the private sector, the public sector showed a more alarming rate of 63.30%. It was discovered that such a high vulnerability to corruption in the public sector stemmed from the weak governance in its procurement practices, legal enforcement agencies and administration. This fact was further substantiated by the MACC's statistics. The agency found that between 2015 and 2018, a total of 30 top civil servants had been arrested for corruption charges. Their involvement does not only cause losses in the public funds, but more crucially it questions the public sector's integrity in ensuring the country's security and prosperity.

It is apparent that corruption does not only ruin the corruptors but it can go beyond to ruin the entire country. Malaysia has come under the spotlight for being coined a kleptocratic country thanks to the greed of several individuals involved in mega scandals namely 1MDB, FELDA, MARA, SRC International, Sabah Water Department and Tabung Haji. These scandals have seen billions, even trillions, of ringgit being syphoned off from the country. Nothing is more frustrating than to learn the state-owned investment company, 1MDB, turned its supposedly profitable investments into a global investment fiasco that lost billions of ringgit.

Resulting from the concealment of various information from the public, mega scandals like 1MDB was only disclosed publicly after the reopening of the investigation. As the reinvestigation went on more thoroughly, it soon became clearer that the case involved high-level corruption and mis-governance of funds amounting to millions of ringgit. Such a big-scale corruption is simply too complex to be comprehensible to the ordinary public. Although, one thing that has clearly emerged out of this scandal is that it has systematically eroded the overall public confidence in the institutional transparency and credibility.





## **SOME OF THE KEY ISSUES FACED BY MALAYSIA IN HER FIGHT AGAINST CORRUPTION ARE:**

### **Interference of Politicians in Government Administration and Finance**

Politicians have mostly interfered in administrative (and financial) matters whereby they see as potentially crucial in serving their own interests at the expense of the rules and regulations. Such interferences happen in decision-making processes especially those involving procurement, job appointment and legal system. According to the MACC, from 2012 until 2014, the majority of such recorded cases is from the construction sector's procurement e.g., negotiations with the middlemen.

### **Lack of Leadership and Political Will**

Lack of political leadership and political will to implement anti-corruption controls have affected the sustainability and the effectiveness of the anti-corruption initiatives undertaken thus far. Most, if not all, corruption-deterrent initiatives are either late, slow or unpopular to be implemented. Several outstanding initiatives (announced during the last administration) that are still pending for implementation are as follows:

- Transparency in asset declarations and gift management policy by Members of the Administration (including Prime Minister and Deputy Prime Minister);
- The introduction of Misconduct of Public Office provision;
- The setting up of an independent agency in managing seized and forfeited assets;
- The initiation of proper guidelines on lobbyists; and
- Demarcation of power between Ministers and Secretary-Generals.

### **Independence of Legislation and Enforcement Bodies**

Legislative institution and enforcement agencies need to be strengthened and eventually transformed into independent entities with full power to execute their functions. The MACC, for instance, must be allowed to execute its functions independently and effectively without any political interference. Political interference in the 1MDB and FELDA scandals had been among the biggest obstacle to the MACC's and AGC's executing their functions between 2015 and 2016. It had also created administrative chaos which then led to high-profile reshuffling of the MACC's top management. The issue was captured by the Bertelsmann Foundation in its Bertelsmann Stiftung Transformation Index (BTI) for 2018 as well as by the CPI for 2017.

### **Light Punishment to Corruption Offenders**

The general penalty for any corruption-related offence in the Malaysian Anti-Corruption Commission Act 2009 (Act 694) is imprisonment for a term not exceeding 20 years whereas the previous Anti-Corruption Act 1997 (Act 575) provides for imprisonment for a term of not less than 14 days and not more than 20 years. As such, of the two, the MACC Act 2009 (Act 694) does not set a minimum number of days for imprisonment. This can be interpreted as such that offenders do not have to serve minimum jail time. Consequently, this makes the Act 694 insensible hence is outdated and needs to be amended.

### **Implications on Economic Stability**

The rampant corruption in politics and the Government has aggravated the issue of inequality in terms of income, wealth



and opportunity. The real impacts of corruption include rising living costs, declining purchasing power, power imbalances, effects on wages and growth, and increased crime rates. The situation is made worse by the increase in public debt and in leakages due to misgovernance of public funds.

### **Lack of Monitoring and Enforcement**

There is no denying that Malaysia has adequate legislation. Unfortunately, its enforcement is far below expectation. The fact is monitoring and enforcement are essential to ensure that all processes and procedures comply with the existing legal framework. Government agencies, in general, often lack the capacity to inspect, audit and review the implementation of its activities. Among the reasons why monitoring and enforcement

efforts fail can be attributed to the lack of resources namely manpower, skills, technology, methods and financial resources.

### **Limited Adoption of Technology in Fighting Corruption**

In fighting against corruption, technology changes must be taken into consideration by the Government in order to ensure the role of technology is strategically embedded within the efforts to increase Government's integrity, accountability and transparency. This is especially true in the areas of enforcement, procurement, licensing and services. Technology adoption will bring a positive image to the Government agencies in delivering its services. The digital integration inter- and intra-agencies is currently limited. Therefore, the application of modern technology to curb corruption



is still in its infancy stage. Nonetheless, as technology becomes an integral part of the ecosystem, the capabilities and skills set of the people need to be strengthened to fully seize the opportunities arising from technology. With the increased connectivity, however, new risks will emerge internally and externally i.e., cyber threats. As technology becomes an integral part of the ecosystem, the capabilities and skills set of the people need to be strengthened to fully seize the opportunities arising from technology. With the increased connectivity, however, new risks will emerge internally and externally, i.e. cyber-threats.

### Lack of Public Support and Confidence

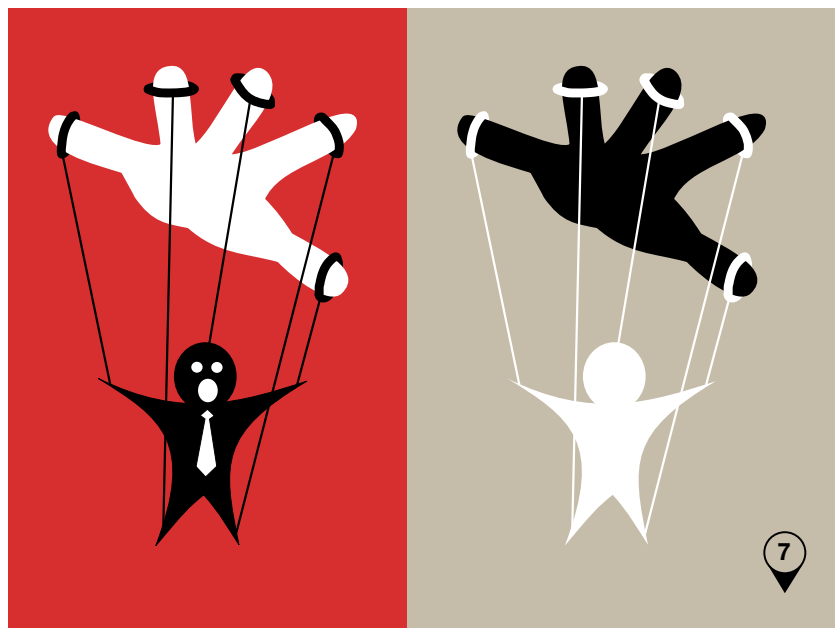
Public trust is heavily dependent upon transparency and accountability in the Government's operations. Corruption diminishes public support hence hamper the Government's ability to fulfill its duty in ensuring conducive services and development for the people. Despite enforcement agencies' striving to offer their best services, their credibility has always been questioned. The Global Corruption Barometer 2017 demonstrates this when it observes that the police force has long been associated with corrupt practices.

### Threats to National Security and Sovereignty

Malaysian geographical position presents strategic disadvantage as the nation shares both land and maritime boundaries with several countries. Compounding the problem, the border control and entry points officers have had a history of lack of integrity in the recent past. As enforcement weakens, illicit transnational activities along the common borders become rampant hence pose a major

threat to Malaysia's national security and sovereignty in terms of terrorism and organised crimes. It is reported that Malaysia loses billions of ringgit each year on these illicit transnational activities. Illegal immigrants issue, on the other hand, has caused not only employment issues that lead to an undermined economic growth, but equally health and social issues that affect society well-being.

## Corruption has gone beyond the abuse of power by public officials to manifest itself deep within the moral and social fabric of the society as a whole





# Risk Assessments

## VARIOUS DATA WERE SOURCED DURING THE RISK ASSESSMENT PROCESS

**Assessments and Reviews by Reviewing Expert Team of the UNCAC** through the 1<sup>st</sup> and 2<sup>nd</sup> Cycles of the United Nations Convention against Corruption (UNCAC) Implementation Review:

**Global anti-corruption strategy models** such as the United Kingdom Anti-Corruption Strategy 2017-2022, Georgia National Anti-Corruption Strategy 2010, Bhutan National Anti-Corruption Strategy 2014 -2018, Namibia National Anti-Corruption Strategy and Action Plan 2016-2019, Sierra Leone National Anti-Corruption Strategy 2014-2018 and Nigeria Anti-Corruption Plan 2015-2016 acquired from United Nations Office on Drugs and Crime (UNODC);

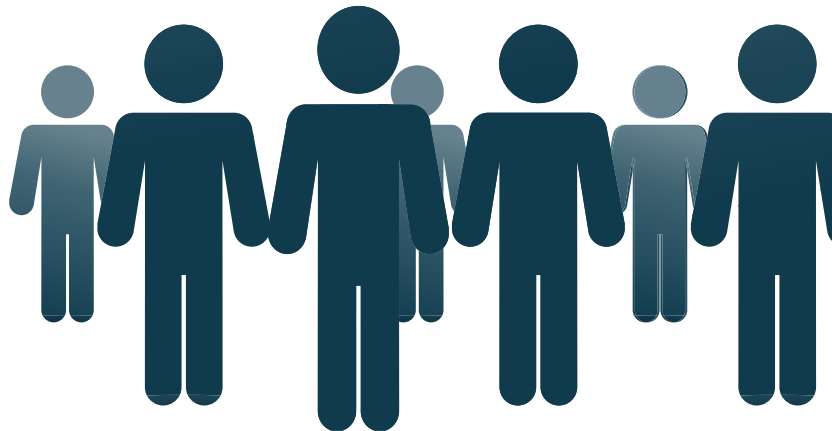
**Corruption perception surveys** such as Corruption Perception Index (CPI), Global Corruption Barometer (GCB), Bertelsmann Stiftung (BTI) - Malaysia Country Report, Malaysia Enterprise Survey 2015, Government Defence Anti-Corruption Index, The World Justice Project (WJP) Rule of Law Index, OECD Economic Survey (Malaysia) and Global Economic Crime Survey (Malaysia Report);

**Data collected from various government agencies** from MACC covering statistics as well as system and procedure analysis, Auditor's General Report from the National Audit Department and public complaints data from Public Complaints Bureau;

**Inputs from stakeholder** and public through consultations with all 26 Secretaries-General as well as Head of Department, Report from Institutional Reforms Committee (IRC), Ruling Government's Manifesto and Scenario Planning Workshop;

**Recommendations from other entities** such as ASEAN Corporate Governance Scorecard – ASEAN Development Bank, Bertelsmann Stiftung (BTI) - Malaysia Country Report, Business Integrity Country Agenda (BICA), Malaysia Enterprise Survey, Freedom of the Press, Global Competition Review, Human Rights Practices Report, Wall Street Journal and Transparency International Malaysia (TI-M) Report.

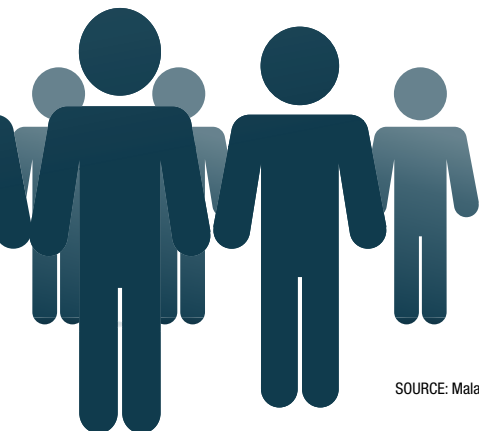
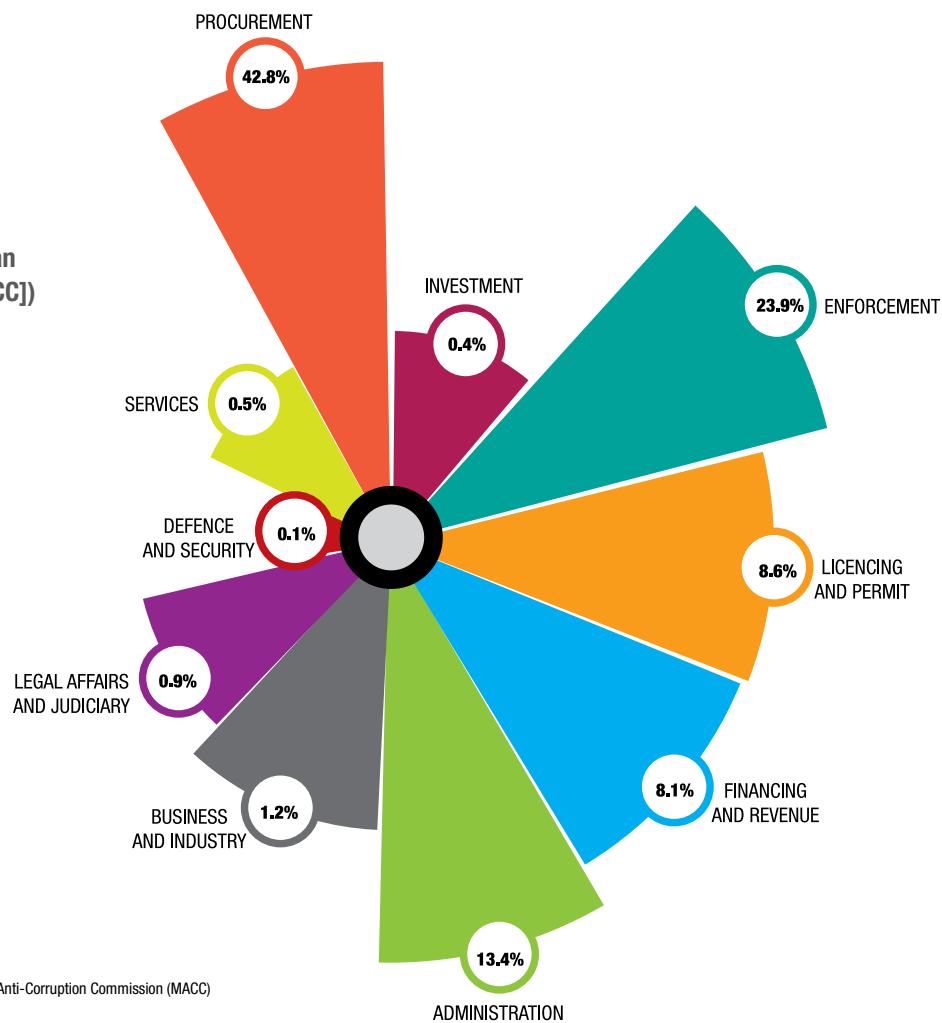
Each of the issues arising from the sources was further categorised into various area that are prone to corruption. The data are then segregated into the frequency of its occurrence within a five-year period (2013-2018) and the extensiveness of its impact on the economy, citizen well-being and the Government.





# SECTORS PRONE TO CORRUPTION: 2013-2018

(Complaints Received by Malaysian Anti-Corruption Commission [MACC])



SOURCE: Malaysian Anti-Corruption Commission (MACC)



# Risk Areas

## 01. POLITICAL GOVERNANCE

The United Nations Development Programme (UNDP), in its 1997 policy paper, defined governance as “the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences”. In simple terms, political governance means the exercise of power or authority by leaders for the well-being of one’s own country which basically can be sum up as the art of ruling a country or state by politicians. Clean political governance structure rests on a transparent and effective state institutions.

## 02. PUBLIC SECTOR ADMINISTRATION

Public sector is the area of the nation’s affairs under the Government’s controls. Public service delivery is viewed as an essential factor that mirrors a country image. The core of the public sector is public administration. The basis for public sector administration lies in the Government’s core functions which is to ensure that the society at large enjoys their rights with regards to the provided service delivery, policy outcomes and value for tax. It is timely to take on some broader and more systematic approach in developing appropriate policies to manage the public sector’s efficiency for the sake of increasing its accountability.

## 03. PUBLIC PROCUREMENT

According to The Organisation for Economic and Development (OECD), public procurement refers to purchase made by Government and state-owned enterprises on goods, services and works. As public procurement accounts for a substantial portion of the taxpayers’ money are expected to carry it out efficiently, so as to save guards the public interest. Procurement is one area in the Government that is most vulnerable to corruption and other illegal activities.





## 04. LEGAL AND JUDICIAL

Legal means the system of laws governing the state of that judicial refers specifically to the administration of justice, based on those laws. In order to improve the effectiveness of the justice system, it is pivotal to reform some of the existing laws by recommending and introducing changes to them. The reforms must ingrain the principle of separation of powers and put an end to external interference which in turn will regain the public respect and confidence. The process of law reform, on the other hand should be designed to cater to society's needs, and make sure that the legal system and law amendments are done properly to protect the society and create outcomes for all.

## 05. LAW ENFORCEMENT

Law enforcement refers to a system that is organised to enforce the law against those who violate the rules and norms governing the society. Law enforcement in Malaysia is performed by numerous law enforcement agencies covering both the federal, state and local authorities. Law enforcement agencies are committed in identifying and implementing solutions thus reduce the crime and looking after the people's wellbeing. The law enforcement agencies in Malaysia are usually associated with abuse of power, with unjustified power, interference from the Executive, lack of independence, lack of integrity which eventually makes them susceptible to corruption. Law enforcement then needs to be reviewed in order for the law of enforcement agencies to conduct their responsibilities based on the principle of rule of law.

## 06. CORPORATE GOVERNANCE

Corporate governance in general terms refers to the system of rules, practices and processes by which a firm is directed and controlled. According to the OECD Principles of Good Governance, a good corporate Governance regime helps ensure that corporations use their capital efficiently and that corporations take into account the interest of all stakeholders within which they operate. As corporations become accountable to stakeholders rather than just their shareholders, they then operate for the benefit of the society as a whole. Ultimately, corporations will be able to maintain the confidence of both foreign and local investors besides potentially attracting more long-term capital for their business.





# CHAPTER 2

## Future Scenarios

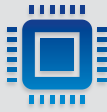
# CONNECTING TODAY TO THE FUTURE

It is imperative that policy makers are aware of the contemporary changes in formulating policy interventions. A changing societal context has prompted the Government and policymakers to reflect on their approaches in shaping relations with other actors and effectively design and implement policy.

The world in 2030 would be significantly different from today. The 4th Industrial Revolution has produced mega trends that have been spurred by emerging disruptive technologies. Therefore in envisioning the Malaysia anti-corruption scenarios in 2030, we have taken stock of the following trends that will direct and indirectly affect policy framework formulation.

The following trends exhibit the on-going trends that are currently emerging globally and how they will impact governance and anti-corruption efforts:

# TRENDS AND IMPACT ON ANTI-CORRUPTION EFFORTS



## Digitalisation

Digitalisation has been extensively used to modernise the public service delivery where it will reduce direct contact points between citizens and public officials. Electronic identification cards and biometric proof of identity citizen identification and distribution of social services are among instances how system will be more accessible, transparent and accountable. Such digitalisation can lead to higher transactional security, better coordination, enhanced communication on anti-corruption initiatives and greater ease of sharing information.



## Decentralisation

Increasingly, “Government” functions are being “co-created” with citizens, where technologies make it possible to distribute tasks among citizens. Carefully designed co-creation processes will allow policy designers to work side-by-side with citizens to build better prototypes thus increasing the policy’s effectiveness. There will not be any hegemonic power whereby power will shift to networks and coalitions in a multipolar world.



## Autonomous and Hyper-connected

Automating can be where application systems could represent massive cost savings. For instance, in the case of AI networks interconnecting apps, it will connect producers and end users through. Consequently, this could minimise human intervention during decision-making processes. In the context of future governance, the removal of departmental/ministerial isolation will take place as a result of interconnectedness. While state would remain dominant in both national and international affairs, the environment for policy making may change as a result of increasing connectivity.



## Blurring of Boundaries

Disruptive technologies have allowed convergence between human and machine where machine have been encroaching into the non-routine cognitive domain – machine learning, knowledge representation, M2M communication and automated reasoning. This has developed new ways of doing things, both virtually and physically which allow new innovation of “smart” objects – IoT, 3D printing, VR and AR, hence, pave the way for minimal human intervention in governance processes.



## Collaborative

Collaborative platform can be used to promote more direct interactions between Government and citizens through the use of social media platforms. Users will be able to communicate and collaborate effectively throughout the enabling of several initiatives, in order to increase bottom-up communication and citizen-to-Government interaction.



## Customisation

Through big data analytics, customisation will make the nature of transactions and procurements more precise, understanding societal needs and responses will be made available through profiling of stakeholders/actors in specific sectors. Subsequently, this will provide a more specific and customised interventions strategies in fighting corruption.

# TECHNOLOGY FOR ANTI-CORRUPTION INITIATIVES

Advances in technology have enabled humanity to address various societal issues, including corruption. At present, Governmental organisations and citizens are experimenting with the best way to leverage upon this technological advancement to support anti-corruption initiatives. This includes the areas of detection, prevention and analysis. The ways in which the Government could use technology against corruption are as follow:

## Corruption Deterrence

Crowd sourced whistleblowing, transparent processes and mechanism as well as information sharing are meant to deter corrupt practices.

## Automated Processes

The use of technology to automate procurement and payment processes will not only expedite the process, but able to make the process to be more transparent and reduce the risk of corruption.

## Development of Institutional Trust

Organisations that implement technology systems with automated processes and secure audit trails will gain the trust of its clients/customers.

## Information Sharing

Organisations that implement technology systems with automated processes and secure audit trails will gain the trust of its clients/customers.

## Digitalisation of Public Services

Digitalisation of public services would reduce red tape and corruption as well as save money.

However, the use of technology is not exactly free of risk. As highlighted in the previous chapter, technology abuse can create a new breed of corruption. For instance, access to data can create a much more sophisticated use of private and confidential data. The growing sophistication of the machines can also enable a system of corruption that can perpetuate itself. Furthermore, there is no quick technological fix for systemic, institutionalised corruption. A hybrid combination, involving both off-line and online methods must be embedded into the anti-corruption strategies and initiatives.



### **BIG DATA**

Big data could be designed specifically to detect potential bribery and corrupt practices. This will enable the use of analytics to identify areas where potential improper activity may exist within an organisation. The main functionality of big data and advanced analytics used today for fraud and corruption prevention is via statistical processing and predictive analytics.

At present, several technology developers are targeting data mining approach coupled with data visualisation to monitor patterns in the data transactions in order to identify odd instances in which fraud or corruption is taking place. This is mainly a reactive approach and the big data and analytics platforms are less sophisticated than that of predictive analytics and artificial intelligence. Predictive Analytics builds on the capabilities of big data platforms to anticipate fraudulent activity or corruption prior to it occurring. In this space, structured data is analysed end-to-end and historically to gather patterns of prior fraud and corruption as well as instances that can be flagged as high potential risks. Once established, the predictive analytics platform is able to process new transactions and data in real-time in order to alert the overseer of potential “suspicious” activity.



### **ARTIFICIAL INTELLIGENCE**

Artificial intelligence (AI) presents an opportunity to monitor and evaluate fraudulent and corrupt activities for existing transaction that involves heavy processes such as financials and industrial processes. AI, will analyse the behaviour of on-going transactions and be alerted of “suspicious” activity based on the historical reference of data. The primary difference between this and predictive analytics is that AI platforms continue to become more robust with the addition of new data. Behaviour analysis and facial recognition are two areas where AI provides the foundational technology for anti-corruption.

Facial recognition is largely being used as a security measure for the point of transactions, such as an individual being authorised to initiate a certain task. Whereas, behaviour analysis is the next level of AI for fraud and corruption prevention and provides real-time analysis of suspicious activity via surveillance. Less commonly used today, but behavioural algorithms are leveraged to identify suspicious individuals as a preventative measure prior to an act of fraud or corruption taking place.



### **BLOCKCHAIN & DISTRIBUTED LEDGER TECHNOLOGY (DLT)**

Blockchain has the potential to be widely deployed as an anti-corruption and anti-fraud tool once it is universally deployed and accepted. Due to the consensus mechanism it operates on – where all parties on the blockchain must verify the transaction – there is a historical ledger of activities that cannot be altered or fabricated.

Blockchain is also ideal as an accounting mechanism for tracking physical and digital transactions – supply chain movement, data transfer, financial, etc. Blockchain in Government is starting to gain much momentum, especially in Asia, as many are looking at the potential of using it for voting, digitalise identity and tax system.

# ANTI-CORRUPTION SCENARIOS 2030

**S1** CONTINUATION

**S2** LIMITS AND DISCIPLINED

**S3** GROWTH

**S4** DECLINE AND COLLAPSE



The application of scenarios is integral as:

- A tool for identifying opportunities and threats: going beyond the limitations of planning models and historical data
- An important risk management instrument
- A warning indicator against unexpected results from the possibility of various risks - An assessment tool for outlining intervention strategies

Anticipating future scenarios are especially crucial during stability/economic growth intervals when stakeholders are less aware of corruption risks.

The following scenarios represent the plausible futures that might unfold post NACP's launch.

## CONTINUATION

A future in which the successful implementation of the NACP is not sustainable and the status quo persists.

## LIMITS AND DISCIPLINED

A future in which the vision outlined in the NACP cannot be fully realised due to internal as well as environmental limitations.

## GROWTH

A future where the introduction of NACP has enabled the shift towards a more ethical nation with high integrity and values.

## DECLINE AND COLLAPSE

A (bleak) future where corruption is the norm and major social systems are strained beyond the breaking point.

The following scenario matrix represents the collective inputs shared by participants during the scenario planning exercise.

## POLITICAL GOVERNANCE

## PUBLIC SECTOR ADMINISTRATION

## PUBLIC PROCUREMENT

# S1

## CONTINUATION

There is less intervention of political leaders in Government's decision-making process; the voices of youth are being heard and addressed; people are able to voice their opinions. However, there are still allegations of grand corruption involving leaders.

Government is more responsive, where services have improved in term of timeline and quality with the use of technology such as Information and Communications Technology (ICT) as governing platform and mechanism. However, corruption is still seen to prevail due to conflict of interest. Corruption then is being treated as a technical issue instead of a human issue.

Technology advancement has been implemented to reduce human interface in procurement. However, transparency of the process was eroded in certain areas; negotiated tender is still being practiced as opposed to open tender; checks and balances mechanism are in place but only on selective projects or areas; and the unscrupulous middle men are present in most of the transitions within the processes and systems.

# S2

## LIMITS AND DISCIPLINED

Sweeping action against corrupt practices and reforms in political governance have short term sustainability as a tug of war emerges between inter-party and intra party individuals limiting the full implementation of NACP reforms.

Good governance systems in place but highly dependent on individuals to drive its success. However, in the long run, corruption continue to take place because of lack of concerted efforts.

Adoption, development and use of technology to combat and prevent corruption particularly in public procurement. The technology helps to increase transparency in monitoring and prevention of corruption.

# SCENARIO MATRIX: ANTI-CORRUPTION SCENARIOS 2030

# S3

## GROWTH

Ministries and Members of Parliament practise high integrity and appreciate code of ethics and foster the culture and values of integrity in the community.

The governance system in public administration includes active participation by citizens, adopts technologies to enhance service delivery efficiency, and practice transparency in decision-making.

Solid and robust governance framework that limit the power of Minister(s), Government officials and office bearers.

# S4

## DECLINE AND COLLAPSE

Abuse of powers among leaders becomes rampant and turns worse. Consequently, politicians' influence is dominant in the system. The promised reformation agenda by actors is losing its momentum as the civil society and public service are seen to be moving in different direction. Non-committal of stakeholders on the institutional reform has worsened due to societal's refusal in anti-corruption efforts.

Governance practice becomes exclusive. Red tape and political interference become routine in public service delivery therefore affect decision-making. This will eventually create an environment non-compliance, absence of internal control, and failure of administrative procedures.

Abuse of powers by political masters who hold take care of procurement matters becomes uncontrollable. In addition, the channel for complaint is seen as ineffective and access to public consultation is not available. Technological platform is being manipulated by internal parties.

## LAW ENFORCEMENT

The enforcement of the law were selective and the courts punishment were not consistent. There were instances of the rich being able to pay fine and getting away free from heavy sentence, while the poor is sent to jail.

## LEGAL AND JUDICIAL

Inconsistency of judiciary decision has increased the number of victimised persons. Most of the laws are based "on paper" only without any action whilst whistle-blowers are not protected and punishment is seen as inconsistent in sentencing.

## CORPORATE GOVERNANCE

The governance system was only addressing economic woes and is still in transition from being an economic man to a man of trustee.

Constantly evolving crime landscape; new forms of corruption causing cat and mouse game between enforcers and law-breakers which have now moved into the cyberworld.

A comprehensive legal framework that encompasses all aspects of current and possible corrupt practices on paper but weak in implementation especially in the mid to long term. Judicial system becomes more efficient with shorter time for indictments and clearing backlog of cases.

Big ambitions and plans, but small gains due to limitations in implementation and will of individuals. Well established governance system is in place and it enables good checks and balances mechanism within the public and the corporate entities. However, successes are only observed in pockets of sectors as actors are still involved in corrupt practices.

A legal system that is independent and effective.

Strong detection prevention system with the adoption of technologies to assist in moving towards transparency. Technology such as blockchain technology, corruption risk management tool and self-monitoring environment are being adopted and implemented.

Business environment complies with the laws and regulations. This creates an equal, fair and transparent environment for business to attract domestic and foreign investments.

Enforcement institutions collapse and no longer function due to political influence in decision-making by law enforcement agencies.

The existing legal framework is no longer compatible or is outdated in fighting against corruption. The system continued to be plagued by fundamental issues affecting judicial independence and impartiality.

Corruption happens at all levels in the ecosystem; from top to bottom and is thus strongly rooted in public and private culture. This has negatively effected the level of confidence in the country's economic integrity.



## STAKEHOLDERS' ENGAGEMENT



THE DEVELOPED ANTI-CORRUPTION SCENARIOS 2030 PROVIDE COMMON INSIGHTS:

# Visions and Fears

The following highlights the shared characteristics of all four scenarios.

## SHARED VISIONS

Shared visions represent common values and principles that reflect the ideas explored and preferred which are identified in these four scenarios. It constitutes a plausible vision of the future that the stakeholders and Government collectively aims to achieve.

Successful reforms of governance in terms of processes and structures

Sustainable efforts to eradicate corruption

Empowerment and independence of organisations to combat corruption

Better collaboration between and among enforcement agencies with streamlined and better coordination

Promotion of values and integrity through education

Role of technology to increase transparency and curb corruption

## SHARED FEARS

Shared fears are the common threats and risks that are being reflected in these four scenarios. It portrays depressing futures should we fail to contain corruption practices.

Corruption becomes ingrained, habitual and a part of organisational culture

Reform efforts are not sustainable and safeguarded

Anti-corruption efforts are undermined by interference from interested parties

Good governance is regarded as mockery

Monitoring and enforcement are seen ineffective due to poor governance

Distorted decision-making especially with regards to major policy issues

Threat to privacy and fundamental rights



**S1** CONTINUATION

**S2** LIMITS AND DISCIPLINED

**S3** GROWTH

**S4** DECLINE AND COLLAPSE

## EMERGING OPPORTUNITIES

From the scenarios, a few notable opportunities emerge that would enable the strengthening of anti-corruption initiatives in the country.

The following are the opportunities identified: (in no order of priority)

**Risk assessment and profiling** in major Government-based projects. This encompasses variety of mechanisms that organisations can apply to gauge the likelihood of corruption to occur from both internally and externally and its effects.

**Develop an integrity rating index** for public service and businesses in assessing one's own organisation capacity to control corruption and ensure that public resources are spent in an accountable and transparent manner.

### **Application of Anti-Bribery Management System and/or Corruption Risk Management System.**

Effective implementation of anti-bribery system and the related standard(s) will help reduce the risk of bribery. This can further demonstrate to stakeholders that internationally recognised good practice on anti-bribery controls have been put in place.

**Governance reform.** Good policies and practices in key public sector institutions serve as indicators for transparency and accountability. Improving policies in contents or practices for better implementation then is important as it can regain public confidence in governmental institutions.

**Use of technology-based systems** for procurement analysis. By incorporating technology to deploy cutting-edge procurement practices, it helps optimise processes and improve strategic outreach. Technology will continuously drive improvements in processes, data, insights, and ultimately lead to savings.

**Maximising citizen participation** to ensure inclusivity through creation of anti-corruption watch group (by laws and with immunity) that is comprised of; i) Academicians, ii) Religious persons, iii) Civil society; and iv) Business Community.

**Fully functioning education system** to promote human governance through the development of a new national education curriculum based on human governance and Continuous Leadership Programme.



**S1** CONTINUATION

**S2** LIMITS AND DISCIPLINED

**S3** GROWTH

**S4** DECLINE AND COLLAPSE

## UNCOVERED RISKS

The developed scenarios also uncovered the following risks:

**Data and information as trading commodities that are easily manipulated for personal gains.**

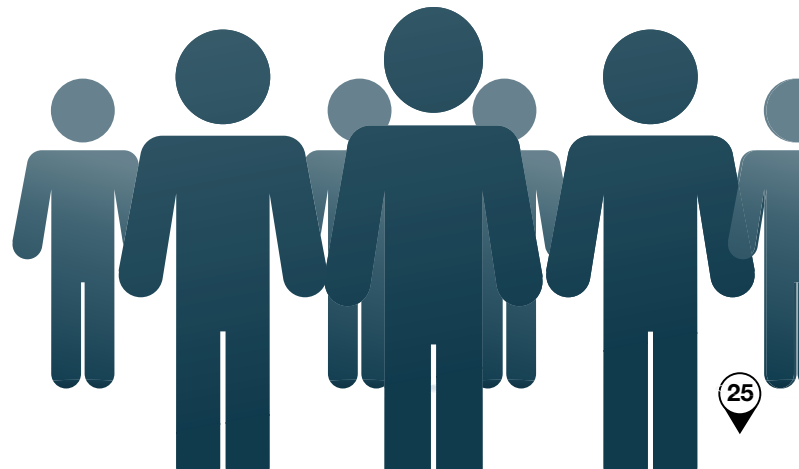
**Digital media deteriorates, software changes and hardware becomes obsolete.** Government will have to be prudent in handling of digital and ICT technologies. Failure to do so will result in the incident of data loss, thus exposes the vulnerability of the systems.

**Corrupt media** may disseminate false information besides negatively shaping and influencing public opinion. This happens when professional investigative journalism has ceased to exist in the mainstream media. Many journalists have moved to “public relations,” where they now write “press releases” favouring certain clients.

**Corruption at early age.** This happens among the younger generation in primary and secondary schools. Early detection can curb such phenomenon.

**Role of NGOs as watchdog is being compromised.** NGOs hold significant role in ensuring accountability in the public, private and international bureaucracies. However, in cases where there are loopholes and lack of governance, NGOs could be vulnerable to corruption. It is therefore vital for NGOs to commit in developing a set of credible and verifiable standards that can be universally applied.

**Little Napoleons growth in stature.** In local context, the terminology “Little Napoleons” was coined over a decade ago to depict Government officers who are perceived to be unhelpful, arrogant and dictatorial. It can be considered as a degrading term as Napoleon himself did not possess those characteristics. The existence of such people in the system will continue to prevail even under a reformed Government unless stringent action is taken to curb such behaviour phenomenon.



# Things to Watch Out For

In looking at the scenarios for Future of Anti-Corruption, one can anticipate the “Black Swans”. By identifying them, practitioners will gain better insights into how to deal with them.

**Corruption by powerful and large corporations/businesses as a means to achieve business gains.** Large corporations increasingly recognise the strong connection between corruption and business. Weak Government’s enforcement coupled with the absence of rule of law have seen the country’s top leadership being at the mercy of these corporations. Such situation can only lead to maladministration, a terminology used to refer to the making of an official decision in a manner which is contrary to the law, unreasonable, without proper justification and lacking in procedural fairness.

**NACP is a “show peacock”-** metaphor for a policy that is to be talked and hyped about but does not have much impact on anything. Stakeholders are concerned about the policy framework that may not be able to sustain its momentum in the long run. Such scenario could happen in the event of change of leadership or champion of the cause.

**Interference by invisible hands.** Proper governance generally relies on a system of checks and balances. However, as invisible hands increasingly interfere in decision-making process, proper governance hardly manifests itself. Worse still, given that no mechanisms are able to stop these invisible hands, such interference is likely to persist.

**Anticipating threats to ethics, standards and integrity** in the Government where systemic threats further weaken adherence to core public sector’s ethics, values and commitment to good governance.





The background features a dark blue gradient with silhouettes of people. On the left, three stylized human figures are shown in profile, holding hands and walking towards the right. On the right, a single stylized human figure is shown in profile, holding a torch aloft with its right hand. The overall theme suggests unity, progress, and enlightenment.

# CHAPTER 3

## Empowering National Anti-Corruption Efforts

# THE NEED FOR A NATIONAL FRAMEWORK Malaysia Moves Forward

The Government acknowledges that there is a need to tackle corruption and create a better Government system with high integrity in order to achieve stability and people's well being. Recently, corruption has caused a lot of misery. The recent acts of corruption must then be fully eliminated from the administration system in order to re-establish stability and reliability in the Government's institution.

Moving forward, the Government has set very clear goals to achieve the national vision towards a corrupt-free nation which is in line with the the national aspiration of being known for her integrity instead of corruption. Towards this end, the Government, in the next five years, will be establishing and formalising sustainable anti-corruption efforts in our the country.

The Government is replacing the current National Integrity Plan (PIN) and NKRA – Fighting Corruption approaches with the present NACP which is a more comprehensive framework towards a sustainable sustainable positive impact. The NACP was brought about thanks to various feedbacks shared by the public in regards to their freedom, rights, well-being and the current chaos in our economy.

The NACP is geared towards improving transparency and embedding integrity and accountability and accountability principles in all related systems and procedures governing both the public and the corporate sectors in Malaysia. The plan also aims at eliminating abuse of power, putting a stop to political interference, ending cronyism and nepotism as well as eliminating embezzlement and mismanagement.

All these will be achieved through the formulation of strategies based on the parameter of integrity and governance. Consequently, as the level of transparency and integrity of the Government improves, the international perception towards Malaysia will become more positive.

Some of the common risk areas that are prone to corruption or at risk of being abused were identified through several methods, e.g., discussions, fact-findings, engagements, benchmarking, data gathering and Scenario Planning. From the aforementioned methods, the Government is able to come up with a comprehensive strategic plan that lays out overarching framework which includes initiatives to be developed and carried out by the relevant stakeholders through Organisational Anti-Corruption Plan (OACP). By formulating their respective OACPs, the various stakeholders will have effectively addressed the affected areas or issues.



# 5As

## The Guiding Principles

In order to ensure that the implementation of the strategic plan is smooth and effective, a comprehensive 5As approach, which comprises **Anticipation, Advocacy, Alliance, Action and Accreditation** is applied as the guiding principal for the framework.

### Anticipation

Preliminary diagnosis of corruption problem, threat and challenges through Corruption Risk Assessment (CRA). It involves the collection and analysis of information from various data sources. This step is important to help organisations identify precise corrective measures that minimise or eradicate corruption risks within their own organisation.

### Advocacy

Recommendations of policies to overcome corruption risks within an organisation. Decision-makers must take ownership of the proposals, and subsequently act upon them either through the strengthening of rules and systems, structure, manpower, budgeting or training.

### Alliance

Collaboration and coordination between internal and external parties, especially those who are involved in implementing the policies. This will help organisations maximise the usage of resources through resource sharing in the form of manpower, budget and logistics.

### Action

Enforcement of laws through punitive, preventive and education approaches. Organisations shall take strict and fair action to deter, prevent and combat corruption at all levels in accordance with the jurisdiction and other legal principles.

### Accreditation

Focusing on the monitoring and evaluation (M&E) processes in order to ensure all of the policies, rules and regulations are fully complied with and implemented by individuals or organisations. The purpose of the accreditation is not to give rewards, but to encourage compliance with policies.

# The National Anti-Corruption Plan Framework



# Towards a Corrupt-Free Nation

To Improve  
Government Efficiency,  
Transparency and Accountability  
Based on Good Governance

To Create Clean  
Business Environment

Efficient and Responsive in  
Public Service Delivery

Integrity in Business



Public  
Procurement



Legal  
and Judicial



Law  
Enforcement



Corporate  
Governance

Increasing the  
Efficiency and  
Transparency  
in Public  
Procurement

Enhancing the  
Credibility of Legal  
and Judicial System

Institutionalising  
the Credibility of Law  
Enforcement Agencies

Inculcating  
Good Governance in  
Corporate Entity

# NATIONAL ANTI-CORRUPTION PLAN 2019-2023

**6**  
STRATEGIES

**17**  
STRATEGIC OBJECTIVES

**115**  
INITIATIVES

**30**  
SHORT TERM Jan-Dec 2019

**31**  
MEDIUM TERM Jan 2019-Dec 2020

**54**  
LONG TERM Jan 2019-Dec 2023

## ABOUT THE FRAMEWORK

The framework generally sets out three vital missions that will contribute to the combatting of corruption in this country mainly by upholding the rule of law, restructuring the public service administration, fostering the concept of good governance and integrity within the business environment.

### NATIONAL ASPIRATION

**Malaysia Known for her Integrity  
and not Corruption**

### VISION

#### **Towards a Corrupt-Free Nation**

Corruption, the evil of all, will not only disrupt the peace of one's country but also ruin the pillar of any society. The disease unfortunately has become more of a common practice and people are said to be cultured to it in getting things done. It is part of everyone's life whilst unknowingly destructing one's life and country. If this evil is eradicated from our society, the greatest threat to development is over.

## MISSIONS

### To Uphold The Rule of Law

In warranting the effective separation of powers among the various branches of Government there is a need to uphold the rule of law. It is suffice to say that this detachment allows for a truly independent judiciary, prosecution and law enforcement agencies based on laws that are fairly applied and enforced. It should also ensure that the people in general and the Government, are held accountable to the law and that no one is above the law. If the rule of law is disrespected, know that no Government in the world will be able to govern effectively and that is enough to destroy a country if we deliberately undermine the rule of law.

### To Improve Government Efficiency, Transparency and Accountability Based on Good Governance

The aim of adhering to a pillar of good governance theory is essentially to reflect on our Governments' ability to manage its affairs and deliver its services based on the levels of accountability, levels of transparency and most importantly the use of effective, efficient, and free of corruption practices and the extent to which the Government responds to the needs of its people. The reform is not only the main agenda of the Federal and State Government.

### To Create Clean Business Environment

Good and clean corporate governance may not be the only one solution to the corruption problem for businesses today but when applied together with the added core values and strong commitment by instilling ethics and compliance into organisational culture, the businesses can help to create an environment in which corruption are being sidelined rather than the rule to be applied. Focusing attention on ethical values contributes not only a healthy and clean business environment but also to the running of their activities thus opening their doors to both national and international businesses.

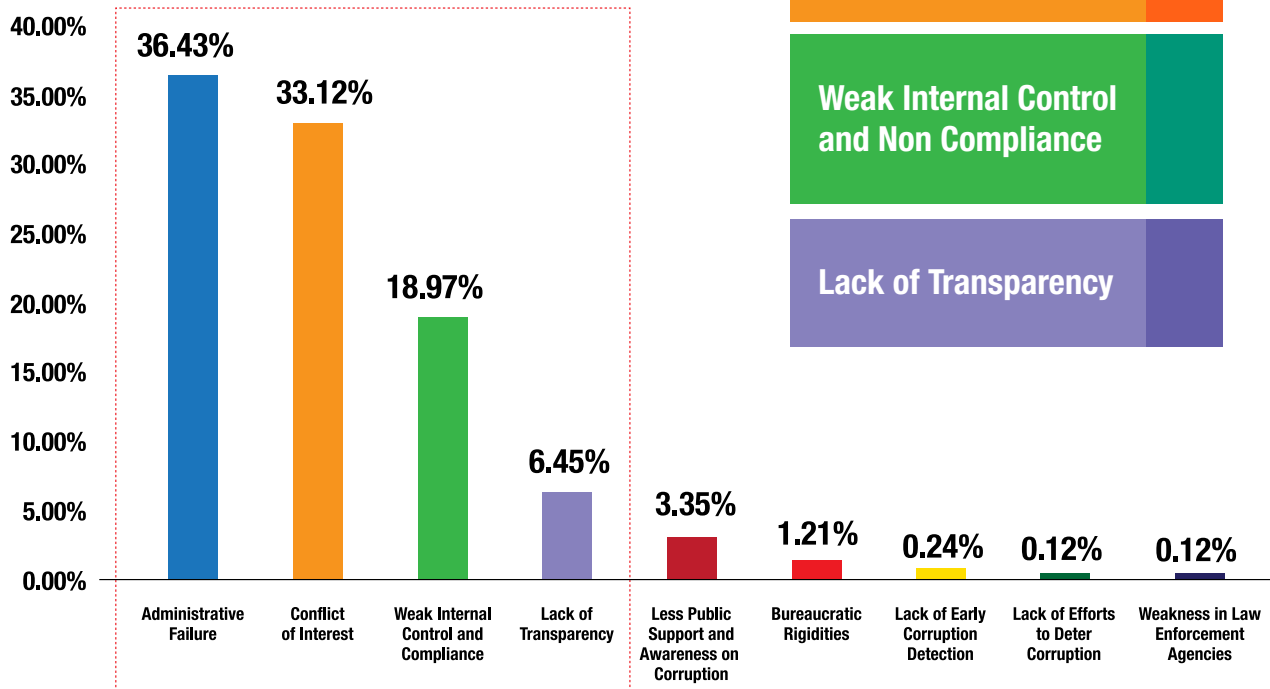
## GOALS

In order to achieve the Vision and Missions as stated in the NACP, the Government has identified the following three goals:

- i. Accountability and Credibility of Judiciary, Prosecution and Law Enforcement Agencies:
  - a. From 0.54 (2017-2018) to increase to 0.63 by 2023 in the World Justice Project Rule of Law Index
  - b. From 77% (2017) to increase to 90% by 2023 in Corruption Conviction Rate in Malaysia
- ii. Efficiency and Responsiveness in Public Service Delivery - from rank 7 (2018) to rank 5 by 2023 in Global Competitiveness Report
- iii. Integrity in Business – to remain in the Top 4 by 2023 in the Corporate Governance Watch – Asian Corporate Governance Association

# CONTENT ANALYSIS ON INFORMATION OF CORRUPTION IN MALAYSIA

From the analysis of more than 20,000 complaints received by the MACC from 2013 until 2018, nine causes of corruption have been identified. A Pareto Chart depicting the 80/20 Rule, gives a clear indication where more than 80% of the corruption complaints received concern four causes namely Administrative Failures, Conflict of Interest, Weak Internal Control and Non Compliance, and Lack of Transparency. These four causes have been taken into account in developing the NACP's strategies and initiatives.



SOURCE: Malaysian Anti-Corruption Commission (MACC)



# QUADRANT ANALYSIS

Quadrant Analysis below illustrates 22 priority initiatives derived from the 115 initiatives in dealing with the causes of corruption. These 22 priority initiatives were analysed according to the level of IMPACT expected and the level of COMPLEXITY in implementation. 16 initiatives fall into Quadrant A - high impact and less complexity - which require less effort to implement and will provide the quickest results in the transformation towards better governance of the country. A summary of the 22 initiatives is provided in the subsequent pages.



## QUADRANT A

Initiatives with HIGH IMPACT  
LESS COMPLEXITY

## QUADRANT B

Initiatives with HIGH IMPACT  
HIGH COMPLEXITY

## QUADRANT C

Initiatives with LOW IMPACT  
LESS COMPLEXITY

## QUADRANT D

Initiatives with LOW IMPACT  
HIGH COMPLEXITY

### STRATEGY 1

Strengthening Political Integrity and Accountability

### STRATEGY 2

Strengthening the Effectiveness of Public Service Delivery

### STRATEGY 3

Increasing the Efficiency and Transparency in Public Procurement

### STRATEGY 4

Enhancing Credibility of Legal and Judicial System

### STRATEGY 5

Institutionalising Credibility of Law Enforcement Agencies

### STRATEGY 6

Inculcating Good Governance in Corporate Entity

**COMPLEXITY:** the difficulty and complicatedness in implementing the initiatives

**IMPACT:** marked effects or influence that bears positive changes

# THE STRATEGY PRIORITIES: HIGHLIGHT OF 22 INITIATIVES

The summary below outlines 22 priority initiatives out of the total 115 from the six key strategies relating to integrity, transparency and accountability of political actors, public administration, Government procurement, law enforcement, legal and judicial, and the corporate entities governance in Malaysia. These 22 priority initiatives were identified based on the urgency to deal with the intensity of the causes.

NO.	INITIATIVE	QUADRANT	STRATEGY
1	To introduce new legislation on governing Political Funding and to include an offence on lobbying	A	Strategy 1
2	To introduce a proper asset declaration system for Members of the Administration and Members of Parliament	A	Strategy 1
3	To improve on the policy or mechanism pertaining to the acceptance of gifts, entertainment and payment by Members of the Administration	A	Strategy 1
4	To prohibit Members of the Administration or any Highly Influential Persons from issuing supporting letters for any projects or applications. Therefore, heads of departments can no longer accept supporting letters as directives or decisions from Members of the Administration or Highly Influential Persons	A	Strategy 1
5	To introduce a Prime Minister's Directive in governing demarcation of power between Ministers and Secretary Generals	A	Strategy 1
6	To introduce a policy on appointing politicians as Chairperson or Members to the Board of Directors of Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG) based strictly on their academic and/or professional qualifications	A	Strategy 1
7	To strengthen the mechanism in enforcing mandatory job rotation for public servants holding sensitive posts	A	Strategy 2
8	To manage the involvement and appointment of Senior Government Officials as members of Board of Director and CEO in all State Owned Enterprises (SOEs) as well as Statutory Bodies	A	Strategy 2
9	To revisit and strengthen the current process of integrity vetting for Public Official holding positions with high risk/responsibility	A	Strategy 2

NO.	INITIATIVE	QUADRANT	STRATEGY
10	To introduce a transparent guideline on the appointment of Special Officer(s), Political Secretary(s), Private Secretary(s) and Media Secretary(s) for all Minister(s) and Deputy Minister(s): a) Terms and Conditions of Appointments b) Number of Appointments Entitlement c) Functions and Responsibilities d) Salaries and Entitlements	A	Strategy 2
11	To govern the power of politician(s) and any Highly Influential Person including the limitations inter-alia influences, interferences and subjections of control in Local Authority performance and decision-making	A	Strategy 2
12	To ensure all client departments and regulators to carry out projects based on the advice and recommendation provided by Technical Department such as the Public Works Department and related technical agency	A	Strategy 3
13	To create accountability and transparency in defining the exercise of power of Minister as stipulated in legal provisions especially in procurement and financial system	B	Strategy 3
14	To introduce standard clauses in project procurements' undertakings in order to protect Government' interest in all projects/contracts involving Government, Statutory Bodies, and State-Owned Enterprises (SOEs). In the case of any breach of contract(s), the Government can at any given time, terminate or/ and file a civil suit against the party who breaches the contract	A	Strategy 3
15	To promote clear separation of powers and impartiality, i.e. the power of the Attorney General should be separated from the power of Public Prosecutor	B	Strategy 4
16	To prioritise for corruption cases to be handled by judges and public prosecutors who are trained and/ or experienced in corruption cases	B	Strategy 4
17	To integrate relevant agencies responsible in managing border control towards effective border management	B	Strategy 5
18	To improve existing foreign workers centralised management system i.e. streamlining and integrating the existing online systems for foreign workers application	A	Strategy 5
19	To transform and convert the Enforcement Agency Integrity Commission (EAIC) into Independent Police Complaints and Misconduct Commission (IPCMC) to address integrity issues and curb misconducts among members of the Royal Malaysia Police	B	Strategy 5
20	To include a new provision in the Malaysian Anti-Corruption Commission Act 2009 (Act 694) which provides for offences against any commercial organisation/person selling off a Government project/ tender to another party for monetary gains without undertaking the project/tender; this provision shall also require any person who benefits from the sale of the project/tender to reveal the beneficiary ownership	B	Strategy 5
21	To introduce integrity vetting requirement as a selection criteria of top management position in Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	A	Strategy 6
22	To impose conditional approach on the purpose and utilisation of funds provided by the Government to all Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	A	Strategy 6

# PRIORITY AREA: POLITICAL GOVERNANCE

## STRATEGY 1 - Strengthening Political Integrity and Accountability

### STRATEGIC OBJECTIVE 1.1: Reforming of Electoral Legislation and Electoral Systems

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
1.1.1	To undertake a study on the viability of electronic electoral system and to implement if deemed feasible	Election Commission of Malaysia (EC)	Within 1 year (Jan 2019-Dec 2019)
1.1.2	To review the amount of election expenses allowable for each constituency; by whom such amount should be allowed to be spent on; to clearly define what constitutes to “election expenses”	Election Commission of Malaysia (EC)	Within 2 years (Jan 2019-Dec 2020)
1.1.3	To establish a fixed election date or to define a fixed period by which the Government should call a General Election. Any dissolution of Parliament or State Legislative Assembly before such date or period of time shall only be done by approval of the Parliament or State Legislative Assembly	i) Election Commission of Malaysia (EC) ii) Parliament of Malaysia	Within 2 years (Jan 2019-Dec 2020)
1.1.4	To establish transparent delimitation of Parliamentary and state boundaries process	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)
1.1.5	To review and strengthen Part III (Corrupt Practices) of the Election Offences Act 1954 (Act 5)	i) Election Commission of Malaysia (EC) ii) Malaysian Anti-Corruption Commission (MACC)	Within 5 years (Jan 2019-Dec 2023)
1.1.6	To establish Election Commission Nomination Committee	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)
1.1.7	To establish a bi-partisan Parliamentary Select Committee on Electoral Matters pertaining to: i) Membership of the Election Commission ii) Finance of the Election Commission iii) Delimitation Exercise iv) Any other matters of public and national interest	i) Election Commission of Malaysia (EC) ii) Parliament of Malaysia	Within 5 years (Jan 2019-Dec 2023)
1.1.8	To amend Article 114(4) of the Federal Constitution on the Constitution of Election Commission to add more criteria in disqualifying members of Election Commission; including involvement in political parties (past or present).	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
1.1.9	To insert legal provision on the use of Government's machinery in promoting the election of any candidate or political party as an offence under Election Offences Act 1954 (Act 5)	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)

## STRATEGIC OBJECTIVE 1.2: Ensuring Better Transparency and Accountability in Government's Administration

1.2.1	To introduce a proper asset declaration system for Members of the Administration	i) Prime Minister's Department (PMD) ii) Malaysian Anti-Corruption Commission (MACC)	Within 1 year (Jan 2019-Dec 2019)
1.2.2	To improve on the policy or mechanism pertaining to the acceptance of gifts, entertainment and payment by Members of the Administration	i) Prime Minister's Department (PMD) ii) Malaysian Anti-Corruption Commission (MACC)	Within 1 year (Jan 2019-Dec 2019)
1.2.3	To strengthen the independence and widen the autonomy of the National Audit Department by placing them under the Parliament	National Audit Department (NAD)	Within 1 year (Jan 2019-Dec 2019)
1.2.4	To amend the current Government circular: ' <i>Pekeliling Perkhidmatan Bilangan 3 Tahun 1998</i> ' to include sponsorship hence strengthening the monitoring mechanism	Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
1.2.5	To introduce new legislation on governing Political Funding and to include an offence on lobbying	Prime Minister's Department (PMD)	Within 2 years (Jan 2019-Dec 2020)
1.2.6	To transform the Public Complaints Bureau (PCB) into Malaysian Ombudsman	Public Complaints Bureau (PCB)	Within 2 years (Jan 2019-Dec 2020)
1.2.7	To amend the Federal Constitution/States Constitution by limiting the term of Office for the Prime Minister, Chief Minister and <i>Menteri Besar</i>	i) Parliament of Malaysia ii) State Legislative Assembly iii) Prime Minister's Department (PMD)	Within 5 years (Jan 2019-Dec 2023)
1.2.8	To introduce new legislation on Freedom of Information	Ministry of Communications and Multimedia Malaysia	Within 5 years (Jan 2019-Dec 2023)
1.2.9	To introduce a written law on the declaration of asset and interest by Members of Parliament	i) Parliament of Malaysia ii) Prime Minister's Department (PMD)	Within 5 years (Jan 2019-Dec 2023)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
<b>STRATEGIC OBJECTIVE 1.3: Managing Politicians' Interference in Public Service and Local Authorities Administration</b>			
1.3.1	To prohibit Members of the Administration or any Highly Influential Persons from issuing supporting letters for any projects or applications. Therefore, heads of departments can no longer accept supporting letters as directives or decisions from Members of the Administration or Highly Influential Persons	Prime Minister's Department (PMD)	Within 1 year (Jan 2019-Dec 2019)
1.3.2	To introduce a Prime Minister's Directive in governing demarcation of power between Ministers and Secretary Generals	Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
1.3.3	To introduce a policy on appointing politicians as Chairperson or members to the Board of Directors of Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG) based strictly on academic and/or professional qualifications	i) Prime Minister's Department (PMD) ii) Ministry of Finance (MOF)	Within 1 year (Jan 2019-Dec 2019)
1.3.4	To introduce a policy on refraining politicians and any Highly Influential Persons from interfering in the promotion / appointment / selection of positions in the Government	i) Prime Minister's Department (PMD) ii) Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
1.3.5	To introduce a clear policy on refraining political interference in making decisions over the removal and appointment of Chairman / Board of Director / CEO of all Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	Prime Minister's Department (PMD)	Within 1 year (Jan 2019-Dec 2019)

<b>STRATEGIC OBJECTIVE 1.4: Enhancing Parliamentary Authority and Governance Administration</b>			
1.4.1	To enforce Parliament's power in punishing for contempt of Parliament in order to compel Ministers, civil servants and citizens to appear before committees and to supply information	Parliament of Malaysia	Within 1 year (Jan 2019-Dec 2019)
1.4.2	To introduce Members of Parliament Code of Conduct to be enforced by the Committee of Privileges of Parliament in order to compel Ministers, civil servants and citizens to appear before committees and to supply information	i) Parliament of Malaysia ii) Prime Minister's Department (PMD)	Within 1 year (Jan 2019-Dec 2019)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
1.4.3	To insist on all audit reports be presented to the Parliament (without withholding, fabricating and modifying any information) and if in any case it involves security or national interest, it shall then be carried out under Standing Order 93 of the Dewan Rakyat	i) Parliament of Malaysia ii) National Audit Department (NAD)	Within 1 year (Jan 2019-Dec 2019)
1.4.4	To introduce a Code of Ethics via Parliamentary Standing Orders for Members of Parliament (both Ruling and Non-Ruling Parties) to adhere to	i) Parliament of Malaysia ii) Prime Minister's Department (PMD)	Within 1 year (Jan 2019-Dec 2019)
1.4.5	To require the elected Speaker of Dewan Rakyat to resign from any of the post held by him/ her in any political party; to appoint one of the Deputy Speakers of Dewan Rakyat from the members of the Opposition	Parliament of Malaysia	Within 2 years (Jan 2019-Dec 2020)
1.4.6	To introduce a written guideline on the role of the caretaker Government	Prime Minister's Department (PMD)	Within 2 years (Jan 2019-Dec 2020)
1.4.7	To establish a Parliamentary training arm for Members of Parliament	Parliament of Malaysia	Within 2 years (Jan 2019-Dec 2020)
1.4.8	To establish a Parliamentary Select Committee on Expenditure to examine the thrust of Government's monetary policies on income and expenditure	Parliament of Malaysia	Within 5 years (Jan 2019-Dec 2023)
1.4.9	To enhance the jurisdiction of the Public Accounts Committee (PAC) to cover all institutions, receiving and generating funds, be it a Ministry or any Government Related Entity	i) Parliament of Malaysia ii) Ministry of Finance (MOF) iii) Relevant Agencies	Within 5 years (Jan 2019-Dec 2023)
1.4.10	To propose a Public Appointments Bill 2018 to regulate the exercise of Executive Power in respect of Public Appointments to certain constitutional and statutory offices	Public Service Department (PSD)	Within 5 years (Jan 2019-Dec 2023)
1.4.11	To re-enact the Parliamentary Service Act 1963	Parliament of Malaysia	Within 5 years (Jan 2019-Dec 2023)
1.4.12	To establish separate Parliamentary Select Committee (PSC) to oversee Malaysian Anti-Corruption Commission (MACC), Ombudsman Malaysia (Previously known as Public Complaints Bureau) and Election Commission of Malaysia	i) Parliament of Malaysia ii) Malaysian Anti-Corruption Commission (MACC) iii) Election Commission of Malaysia (EC) iv) Public Complaints Bureau (PCB)	Within 5 years (Jan 2019-Dec 2023)

# PRIORITY AREA: PUBLIC SECTOR ADMINISTRATION

## STRATEGY 2 - Strengthening the Effectiveness of Public Service Delivery

### STRATEGIC OBJECTIVE 2.1: Redesigning of Public Services towards Good Governance

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
2.1.1	To strengthen the mechanism in enforcing mandatory job rotation for public servants holding sensitive posts	i) Public Service Department (PSD) ii) Relevant Department / Agency at State Level	Within 1 year (Jan 2019-Dec 2019)
2.1.2	To manage the involvement and appointment of Senior Government Officials as members of Board of Director and CEO in all State-Owned Enterprises (SOEs) as well as Statutory Bodies	i) Ministry of Finance (MOF) ii) Public Service Department (PSD) iii) Prime Minister's Department (PMD) iv) Relevant Department / Agency at State Level	Within 1 year (Jan 2019-Dec 2019)
2.1.3	To introduce Anti-Bribery Management System (ABMS) MS ISO 37001 certification in all Government agencies	i) Department of Standards Malaysia ii) Ministry of Finance (MOF) iii) Malaysian Anti-Corruption Commission (MACC)	Within 2 years (Jan 2019-Dec 2020)
2.1.4	To establish initiatives in promoting and managing workplace values towards integrity, accountability and efficiency in public sector through: <b>a) Values Audit Management System (Sistem Pengurusan Audit Nilai (SPAN))</b> To measure and analyse workplace values in the public sector according to <i>Arahan YAB Perdana Menteri No.1 Tahun 1998 Siri 7 No.1 Tahun 2007</i> <b>b) Values Enhancement Module for Public Service (Modul Pemantapan Nilai Perkhidmatan Awam)</b> This module recommends initiatives to enhance and integrate values into the structures, processes, systems and deliveries of public service operations	i) Public Service Department (PSD) ii) Relevant Ministry / Department / Agency / Local Authority	Within 2 years (Jan 2019-Dec 2020)
2.1.5	To oblige the public sector to develop Organisational Anti-Corruption Plan (OACP) with the assistance of three agencies namely the Malaysian Anti-Corruption Commission (MACC), National Centre for Governance, Integrity and Anti-Corruption (GIACC) and Malaysian Institute of Integrity	i) Prime Minister's Department (PMD) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity iv) Relevant Ministry/Department/Agency/Local Authority	Within 5 years (Jan 2019-Dec 2023)
2.1.6	To establish a strong and effective mechanism in the issuance of permits and licensing	i) Malaysian Anti-Corruption Commission (MACC) ii) Prime Minister's Department (PMD) iii) Relevant Ministry/Department/Agency/Local Authority iv) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)



NO.

INITIATIVE

LEAD AGENCY

MILESTONE

## STRATEGIC OBJECTIVE 2.2: Promoting Merit and Integrity in the Process of Recruitment, Selection and Appointment to Positions

2.2.1	To introduce a policy on managing the appointments of consultant(s) in terms of their roles and responsibilities as well as also to minimise their involvement in financial matters and organisational policies	Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
2.2.2	To introduce a policy on the management Contract For Service (CFS) Officers in Government agencies so as to minimise the involvement of CFS Officers in financial matters and organisational policies	Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
2.2.3	To strengthen the integrity of the public service by making improvements to its promotion exercise (including top civil service officials)	i) Public Service Department (PSD) ii) Malaysian Institute of Integrity	Within 1 year (Jan 2019-Dec 2019)
2.2.4	To introduce a transparent guideline on the appointment of Special Officer(s), Political Secretary(s), Private Secretary(s) and Media Secretary(s) for all Minister(s) and Deputy Minister(s): i) Terms and Conditions of Appointments ii) Number of Appointments Entitlement iii) Functions and Responsibilities iv) Salaries and Entitlements	i) Prime Minister's Department (PMD) ii) Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
2.2.5	To introduce policy or guideline for the "cooling-off" period for public official and senior civil servants moving to corporate entities for executive posts	Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
2.2.6	To introduce a policy on the placement of only career diplomats and non-politicians to head Malaysian overseas missions (Ambassador / High Commissioner / Malaysia Consulate)	i) Wisma Putra (MOFA) ii) Public Service Department (PSD)	Within 2 years (Jan 2019-Dec 2020)
2.2.7	To revisit and strengthen the current process of integrity vetting for Public Official holding positions with high risk/responsibility	i) Public Service Department (PSD) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 2 years (Jan 2019-Dec 2020)
2.2.8	To oblige all attaché who are based in Malaysia's overseas missions to be answerable and to be directly under the purview of Head(s) of Mission(s)	i) Wisma Putra (MOFA) ii) Relevant Ministry/Department/Agency	Within 2 years (Jan 2019-Dec 2020)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
<b>STRATEGIC OBJECTIVE 2.3: Strengthening Local Authorities Accountability</b>			
2.3.1	To govern the power of Politician(s) and any Highly Influential Person including the limitations inter-alia influences, interferences and subjections of control in Local Authority performance and decision-making	i) Prime Minister's Department (PMD) ii) Ministry of Housing and Local Government	Within 2 years (Jan 2019-Dec 2020)
2.3.2	To establish a Local Authority service commission	Ministry of Housing and Local Government	Within 5 years (Jan 2019-Dec 2023)
2.3.3	To introduce job rotation scheme for Local Authorities officers or staffs who have held a certain post for number of years	Ministry of Housing and Local Government	Within 5 years (Jan 2019-Dec 2023)

<b>STRATEGIC OBJECTIVE 2.4: Enhancing Effectiveness of Education &amp; Continuing Professional Development of Public Officers through Human Governance-based Programmes</b>			
2.4.1	To revise the curriculum for pre-service and in-service teachers' education to cover all aspects of integrity, human governance and anti-corruption	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.2	To reinforce elements of integrity and human values (human governance) in induction training programmes for lecturers at higher education institutions	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.3	To strengthen the leadership programmes for all educators and administrators within the Ministry of Education by incorporating element of human governance	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.4	To strengthen the leadership programmes for all educators and administrators in all higher learning institutions by incorporating element of human governance	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.5	To accentuate noble human values in the syllabus of pre-school education	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
2.4.6	To strengthen primary schools' education that is based on strong character building, self-esteem and leadership	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.7	To introduce University Compulsory Course ( <i>Matapelajaran Wajib Universiti</i> ) at the undergraduate level that emphasise the meaning of human as relational being and its implication on one's surrounding.	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.8	To emphasise the aspects of integrity and anti-corruption in entrepreneurial programmes	i) Ministry of Entrepreneur Development (MED) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.9	To continuously disseminate message on anti-corruption within the context of relational human being through various media channels	i) Ministry of Communications and Multimedia Malaysia ii) Malaysian Anti-Corruption Commission (MACC) iii) State Governments	Within 5 years (Jan 2019-Dec 2023)
2.4.10	To continuously disseminate message on anti-corruption within the context of relational human being through the engagement with religious bodies and NGOs	i) Malaysian Anti-Corruption Commission (MACC) ii) Non-Governmental Organisation (NGO) iii) Religious Bodies	Within 5 years (Jan 2019-Dec 2023)
2.4.11	To strengthen secondary schools' education that is based on strong character building, self-esteem and leadership	i) Ministry of Education (MOE) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.12	To approach the youth outside of formal education (school dropouts) through clubs, associations and youth organisations to inculcate the values of integrity, governance and anti-corruption	i) Ministry of Youth and Sports ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.13	To emphasise on the essentials of integrity and human values (human governance) in the induction programmes for public officials	i) Public Service Department (PSD) ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)
2.4.14	To strengthen the elements of human governance, integrity and anti-corruption in self-development programmes to Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG) and private sector	i) Relevant regulatory and professional bodies ii) Malaysian Institute of Integrity iii) Companies Commission of Malaysia (CCM) iv) Securities Commission (SC) v) Malaysian Anti-Corruption Commission (MACC)	Within 5 years (Jan 2019-Dec 2023)

# PRIORITY AREA: PUBLIC PROCUREMENT

## STRATEGY 3 - Increasing the Efficiency and Transparency in Public Procurement

### STRATEGIC OBJECTIVE 3.1: Strengthening Public Procurement Framework

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
3.1.1	To introduce a comprehensive procurement policy on disclosure of conflict of interest during procurement process	Ministry of Finance (MOF)	Within 1 year (Jan 2019-Dec 2019)
3.1.2	To ensure all client departments and regulators to carry out projects based on the advice and recommendation provided by Technical Department such as the Public Works Department and related technical agency	i) Ministry of Finance (MOF) ii) Prime Minister's Department (PMD) iii) Public Works Department (PWD) iv) Related Technical Agency	Within 1 year (Jan 2019-Dec 2019)
3.1.3	To strengthen the current Integrity Pact to be in line with international standards	i) Ministry of Finance (MOF) ii) Ministry of Economic Affairs (MEA) iii) Malaysian Anti-Corruption Commission (MACC)	Within 2 years (Jan 2019-Dec 2020)
3.1.4	To enhance the Project Monitoring System II in monitoring the project management cycle for better effective and efficient in all government projects	Prime Minister's Department (PMD)	Within 5 years (Jan 2019-Dec 2023)
3.1.5	To introduce legislation on public procurement in regulating the procurement activities, improving efficiency resource utilisation, safeguarding public and national interest as well as protecting the rights of contracting parties	Ministry of Finance (MOF)	Within 5 years (Jan 2019-Dec 2023)
3.1.6	To create accountability and transparency in defining the exercise of power of Minister as stipulated in legal provisions especially in procurement and financial system	i) Ministry of Finance (MOF) ii) Ministry of Economic Affairs (MEA)	Within 5 years (Jan 2019-Dec 2023)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
<b>STRATEGIC OBJECTIVE 3.2: Greater Procurement Transparency, Enabling Better Identification and Mitigation of Corruption Risks, Market Distortion and Anti-Competitive Behaviour</b>			
3.2.1	To introduce a more transparent mechanism in preventing information leakages in procurement process	Ministry of Finance (MOF)	Within 1 year (Jan 2019-Dec 2019)
3.2.2	To introduce standard clauses in project procurements' undertakings in order to protect Government' interest in all projects/contracts involving Government, Statutory Bodies, and State-Owned Enterprises (SOEs). In the event of breach of contract(s), the Government can, at any given time, terminate or/and file a civil suit against the party(ies) to the contract	Ministry of Finance (MOF)	Within 1 year (Jan 2019-Dec 2019)
3.2.3	To ensure appointment of rescuing contractors through open tender	Ministry of Finance (MOF)	Within 1 year (Jan 2019-Dec 2019)
3.2.4	To introduce mechanism in curbing leakages in governmental funds (Aid Funds) and grants	Ministry of Finance (MOF)	Within 2 years (Jan 2019-Dec 2020)
3.2.5	To establish procurement complaints mechanism for aggrieved parties	Ministry of Finance (MOF)	Within 2 years (Jan 2019-Dec 2020)
3.2.6	To introduce a checks and balances mechanism in procurement dealings with the involvement of Integrity Unit and Internal Audit Officers	i) Ministry of Finance (MOF) ii) Ministry of Economic Affairs (MEA) iii) Malaysian Anti-Corruption Commission (MACC) iv) National Audit Department (NAD) v) Malaysian Institute of Integrity	Within 2 years (Jan 2019-Dec 2020)
3.2.7	To amend rules and regulations in monitoring the wrong doings by contractors and project consultants (Consultant Engineer)	i) Ministry of Works ii) Malaysian Anti-Corruption Commission (MACC) iii) Malaysian Institute of Integrity iv) Construction Industry Development Board (CIDB)	Within 2 years (Jan 2019-Dec 2020)
3.2.8	To introduce 'E-Work' system in monitoring project management, project approval(s) and value analysis	i) Ministry of Finance (MOF) ii) Ministry of Works	Within 5 years (Jan 2019-Dec 2023)
3.2.9	To enhance the technology-based procurement system ( <i>e-perolehan</i> ) in order to reduce human intervention between parties	Ministry of Finance (MOF)	Within 5 years (Jan 2019-Dec 2023)
3.2.10	To monitor jointly with law enforcement agencies and Public Works Department the mismanagement of Government projects in Sabah and Sarawak	Public Works Department (PWD)	Within 5 years (Jan 2019-Dec 2023)

# PRIORITY AREA: LEGAL AND JUDICIAL

## STRATEGY 4 - Enhancing Credibility of Legal and Judicial System

### STRATEGIC OBJECTIVE 4.1: Improving Institutional Efficacy of the Legal and Judicial System

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
4.1.1	To review and revise the Judges' Code of Ethics to include a prohibition on judges' accepting appointments to positions in any commercial entity for a period of three years following their retirement	i) Judicial and Legal Service Commission ii) Judicial Appointments Commission (JAC) iii) Registrar of Courts	Within 2 years (Jan 2019-Dec 2020)
4.1.2	To set up additional Specialised Corruption Courts to manage the increased number of backlog cases	Registrar of Courts	Within 2 years (Jan 2019-Dec 2020)
4.1.3	To prioritise for corruption cases to be handled by judges and public prosecutors who are trained and/or experienced in corruption cases	i) Registrar of Courts ii) Attorney General's Chambers (AGC)	Within 2 years (Jan 2019-Dec 2020)
4.1.4	To split the Judicial and Legal Service Commission into three separate commissions: i) The Judicial Service Commission should be responsible for the employment of judicial officers ii) The Legal Service Commission should be responsible for the employment of legal officers in the Attorney General's Chambers iii) The Public Prosecution Service Commission should be responsible for the employment of Deputy Public Prosecutor in the Office of Public Prosecutions	i) Judicial and Legal Service Commission ii) Judicial Appointments Commission (JAC)	Within 5 years (Jan 2019-Dec 2023)
4.1.5	To promote clear separation of powers and impartiality, i.e. the power of the Attorney General should be separated from the power of Public Prosecutor i) Attorney General. The Attorney General should no longer assume responsibility and power in prosecution matters. He should attend Cabinet and Parliament meetings by invitation ii) Public Prosecutor. The Public Prosecutor takes over the prosecutorial duties and powers from the Attorney general, and may direct an inquest into the cause and circumstances of any death	Attorney General's Chambers (AGC)	Within 5 years (Jan 2019-Dec 2023)
4.1.6	To introduce the usage of Information and Communications Technology (ICT) for Specialised Corruption Courts	i) Registrar of Courts ii) Prime Minister's Department (PMD)	Within 5 years (Jan 2019-Dec 2023)



# PRIORITY AREA: LAW ENFORCEMENT

## STRATEGY 5 - Institutionalising Credibility of Law Enforcement Agencies

### STRATEGIC OBJECTIVE 5.1: To Enhance Efficiency and Adherence to Professionalism in Law Enforcement Agency

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
5.1.1	To enhance the existing Standard Operating Procedure (SOP) by incorporating technology in an effort to reduce the use of force against detainees/prisoners by enforcement officers	Ministry of Home Affairs (MOHA)	Within 1 year (Jan 2019-Dec 2019)
5.1.2	To curb malfeasance in Immigration Department through internal control	Ministry of Home Affairs (MOHA)	Within 1 year (Jan 2019-Dec 2019)
5.1.3	To integrate relevant agencies responsible in managing border control towards effective border management	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)
5.1.4	To set up a Royal Commission of Inquiry (RCI) to investigate the existence of human trafficking camps and graves of Wang Kelian in Perlis	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)

### STRATEGIC OBJECTIVE 5.2: High-Priority Technology Needs for Law Enforcement

5.2.1	To inculcate the practice of transparency in managing foreign workers affairs system	Ministry of Home Affairs (MOHA)	Within 2 years (Jan 2019-Dec 2020)
5.2.2	To use Information and Communications Technology (ICT) in all detention centres	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)
5.2.3	To improve existing foreign workers centralised management system i.e. streamlining and integrating the existing online systems for foreign workers application	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)
5.2.4	To apply digital technologies to monitor all illegal and illicit activities such as illegal immigrants, smuggling and other illicit activities at all border control and entry points into the country	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)
5.2.5	To establish an integrated database system for the registration of immigrants flowing into and out of Malaysia	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)



NO.	INITIATIVE	LEAD AGENCY	MILESTONE
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## STRATEGIC OBJECTIVE 5.3: Strengthening Law Enforcement Agencies

5.3.1	To establish a National Anti-Financial Crime Centre as a competent centre to manage the seizure and forfeiture of assets through integrated enforcement	Prime Minister's Department (PMD)	Within 1 year (Jan 2019-Dec 2019)
5.3.2	To empower the Police Force Commission in managing its welfare, logistics, manpower and training budgetary	Ministry of Home Affairs (MOHA)	Within 2 years (Jan 2019-Dec 2020)
5.3.3	To empower the Malaysian Anti-Corruption Commission (MACC) in terms of the appointment of Chief Commissioner, budgetary, oversight committee, establishment of service commission and manpower	Malaysian Anti-Corruption Commission (MACC)	Within 5 years (Jan 2019-Dec 2023)
5.3.4	To transform and convert the Enforcement Agency Integrity Commission (EAIC) into Independent Police Complaints and Misconduct Commission (IPCMC) to address integrity issues and curb misconducts among members of the Royal Malaysia Police	i) Enforcement Agency Integrity Commission (EAIC) ii) Attorney General's Chambers (AGC) iii) Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)

## STRATEGIC OBJECTIVE 5.4: Improving Law Enforcement Agencies' Legislations

5.4.1	To insert a new provision in the existing law that criminalises misconduct in public office which shall impose punitive measures against public officials who deliberately cause leakage or wastage of Government funds	Malaysian Anti-Corruption Commission (MACC)	Within 5 years (Jan 2019-Dec 2023)
5.4.2	To amend the Immigration Act 1959/63 (Act 155) to provide for an express power to blacklist persons from leaving the country under limited circumstances defined by law	Ministry of Home Affairs (MOHA)	Within 5 years (Jan 2019-Dec 2023)
5.4.3	To include a new provision in the Malaysian Anti-Corruption Commission Act 2009 (Act 694) which provides that a commercial organisation/person commits an offence if the commercial organisation/person to sell off a Government project/tender to another party for monetary gains without undertaking the project/tender; this provision shall also require any person who benefits from the sale of the project/tender to reveal the beneficiary ownership	Malaysian Anti-Corruption Commission (MACC)	Within 5 years (Jan 2019-Dec 2023)
5.4.4	To propose minimum imprisonment penalty for corruption offences under the Malaysian Anti-Corruption Commission 2009 (Act 694)	i) Malaysian Anti-Corruption Commission (MACC) ii) Malaysian Institute of Integrity	Within 5 years (Jan 2019-Dec 2023)

# PRIORITY AREA: CORPORATE GOVERNANCE

## STRATEGY 6 - Inculcating Good Governance in Corporate Entity

### STRATEGIC OBJECTIVE 6.1: Greater Transparency over Who Owns and Controls Corporate Entities

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
6.1.1	To introduce integrity vetting requirement as a selection criteria for top management position in Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	<ul style="list-style-type: none"> <li>i) Ministry of Finance (MOF)</li> <li>ii) Ministry of Economic Affairs (MEA)</li> <li>iii) Securities Commission (SC)</li> <li>iv) Malaysian Anti-Corruption Commission (MACC)</li> <li>v) Malaysian Institute of Integrity</li> <li>vi) Relevant Federal and State Agency</li> </ul>	Within 1 year (Jan 2019-Dec 2019)
6.1.2	To impose conditional approach on the purpose and utilisation of funds provided by the Government to all Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	<ul style="list-style-type: none"> <li>i) Ministry of Finance (MOF)</li> <li>ii) Ministry of Economic Affairs (MEA)</li> <li>iii) Prime Minister's Department (PMD)</li> <li>iv) Securities Commission (SC)</li> <li>v) Relevant Federal and State Agency</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.1.3	To impose a full disclosure of the Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG) on: <ul style="list-style-type: none"> <li>i) Direct and indirect share holdings of senior management;</li> <li>ii) Individual director's and key management personnel's directorship positions in other public companies (listed or otherwise);</li> <li>iii) Remuneration of individual directors on a detailed basis;</li> <li>iv) Remuneration of senior management on a bands basis number of individuals earning remuneration within that band)</li> </ul>	<ul style="list-style-type: none"> <li>i) Ministry of Finance (MOF)</li> <li>ii) Ministry of Economic Affairs (MEA)</li> <li>iii) Prime Minister's Department (PMD)</li> <li>iv) Relevant Federal and State Agency</li> </ul>	Within 2 years (Jan 2019-Dec 2020)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
<b>STRATEGIC OBJECTIVE 6.2: Greater Corporate Entities Resilience against the Threat of Corruption</b>			
6.2.1	To oblige the Statutory Bodies, State-Owned Enterprises (SOEs), Company Limited By Guarantee (CLBG) and private sector regulated by regulatory bodies to develop Organisational Anti-Corruption Plan (OACP) with the assistance of three agencies namely the Malaysian Anti-Corruption Commission, National Centre for Governance, Integrity and Anti- Corruption and Malaysian Institute of Integrity	<ul style="list-style-type: none"> <li>i) Ministry of Economic Affairs (MEA)</li> <li>ii) Prime Minister's Department (PMD)</li> <li>iii) Malaysian Anti-Corruption Commission (MACC)</li> <li>iv) Malaysian Institute of Integrity</li> <li>v) Statutory Bodies</li> <li>vi) State-Owned Enterprises (SOEs)</li> <li>vii) Company Limited by Guarantee (CLBG)</li> <li>viii) Private Sector regulated by regulatory bodies</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.2.2	To strengthen anti-corruption awareness programme and engagement with Statutory Bodies, State-Owned Enterprises (SOEs), Company Limited By Guarantee (CLBG) and private sector	<ul style="list-style-type: none"> <li>i) Ministry of Economic Affairs (MEA)</li> <li>ii) Malaysian Anti-Corruption Commission (MACC)</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.2.3	To expand the participation of Certified Integrity Officers (CeIO) to all Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	<ul style="list-style-type: none"> <li>i) Ministry of Finance (MOF)</li> <li>ii) Ministry of Economic Affairs (MEA)</li> <li>iii) Securities Commission (SC)</li> <li>iv) Prime Minister's Department (PMD)</li> <li>v) Malaysian Anti-Corruption Commission (MACC)</li> <li>vi) Relevant Federal and State Agency</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.2.4	To propose Anti-Bribery Management System (ABMS) MS ISO 37001 certification as a requirement for State-Owned Enterprises (SOEs), Company Limited By Guarantee (CLBG) and private sector in order to bid for Government contracts	<ul style="list-style-type: none"> <li>i) Ministry of Economic Affairs (MEA)</li> <li>ii) Ministry of Finance (MOF)</li> <li>iii) Malaysian Anti-Corruption Commission (MACC)</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.2.5	To issue a Prime Minister's Directive to govern disclosure of conflict of interest, as well as efficiency and transparency in Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG)	<ul style="list-style-type: none"> <li>i) Ministry of Economic Affairs (MEA)</li> <li>ii) Prime Minister's Department (PMD)</li> <li>iii) Ministry of Finance (MOF)</li> <li>iv) Securities Commission (SC)</li> <li>v) Relevant Federal and State Agency</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.2.6	To establish a full disclosure mechanism on information regarding subsidiaries and non-consolidated companies of Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG) needs to be established	<ul style="list-style-type: none"> <li>i) Ministry of Finance (MOF)</li> <li>ii) Ministry of Economic Affairs (MEA)</li> <li>iii) Prime Minister's Department (PMD)</li> <li>iv) Securities Commission (SC)</li> <li>v) Companies Commission of Malaysia (CCM)</li> <li>vi) Relevant Federal and State Agency</li> </ul>	Within 2 years (Jan 2019-Dec 2020)
6.2.7	To introduce a legal provision that prohibits Statutory Bodies, State-Owned Enterprises (SOEs), and Government Established Company Limited By Guarantee (CLBG) from making contributions to politicians or political parties	<ul style="list-style-type: none"> <li>i) Ministry of Finance (MOF)</li> <li>ii) Ministry of Economic Affairs (MEA)</li> <li>iii) Prime Minister's Department (PMD)</li> <li>iv) Securities Commission (SC)</li> <li>v) Companies Commission of Malaysia (CCM)</li> <li>vi) Relevant Federal and State Agency</li> </ul>	Within 5 years (Jan 2019-Dec 2023)





# CHAPTER 4

## Governance

# IMPLEMENTATION MECHANISM

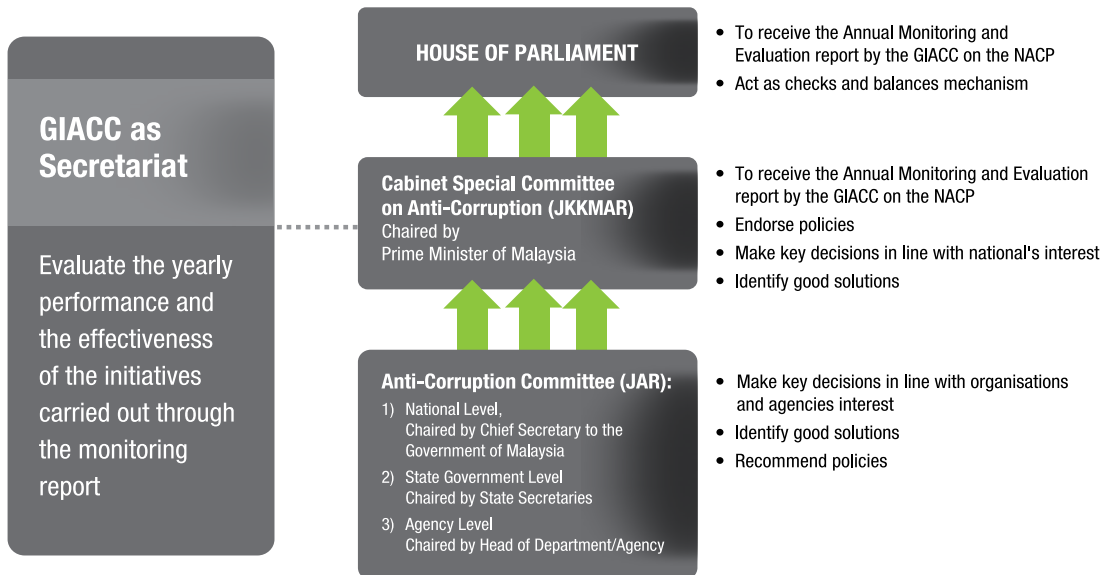
To ensure that the national anti-corruption initiatives are being implemented efficiently and systematically, the Government has established a specific multi-level anti-corruption governing structure through the issuance of “*Arahan YAB Perdana Menteri. No. 1 Tahun 2018 - Pemanthapan Governans, Integriti dan Anti-Rasuah dalam Pengurusan Pentadbiran Kerajaan Malaysia: Mekanisme Pengurusan Governans, Integriti dan Anti-Rasuah Kebangsaan*” on 5<sup>th</sup> October 2018.

The governing structure comprises three key tiers:

- 1) Parliamentary Tier
- 2) Special Cabinet Tier
- 3) Operational Tier

These three tiers focus on the following tasks: assessing corruption risks, endorsement of policies and solutions, execution of programmes and activities as well as monitoring and evaluation of performances. The details of the structure are as follows:

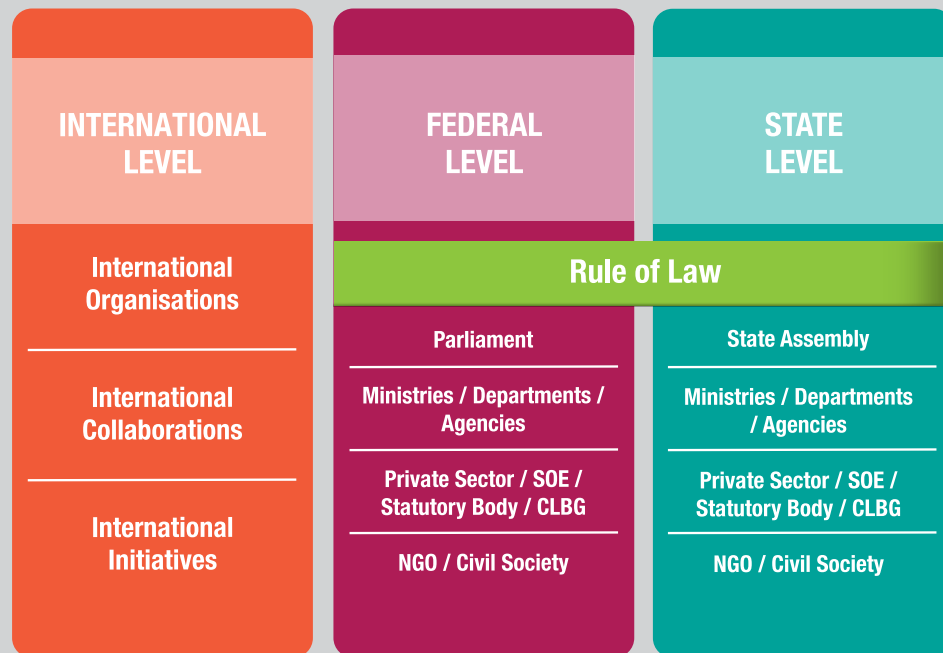
## The National Anti-Corruption (NACP) Governance Structure




# NACP IMPLEMENTATION FRAMEWORK

The implementation of the NACP cuts across three levels. These levels are international level, federal level and state level. They are interlinked through the interconnectedness between federal and state agencies as well as non-state actors and play a crucial role in supporting the implementation, reporting and reviewing of the NACP. Such interconnectedness helps ensure mutual understanding, formation of sustainable policies, commitment for resource-sharing and proper implementation.

Overall, the NACP implementation framework facilitates all agencies in executing anti-corruption strategies and initiatives. The performance and evaluation of all agencies will then be monitored and evaluated periodically using a systematic approach developed by GIACC. The NACP implementation framework is summarised below:



# NACP COORDINATION, MONITORING AND EVALUATION



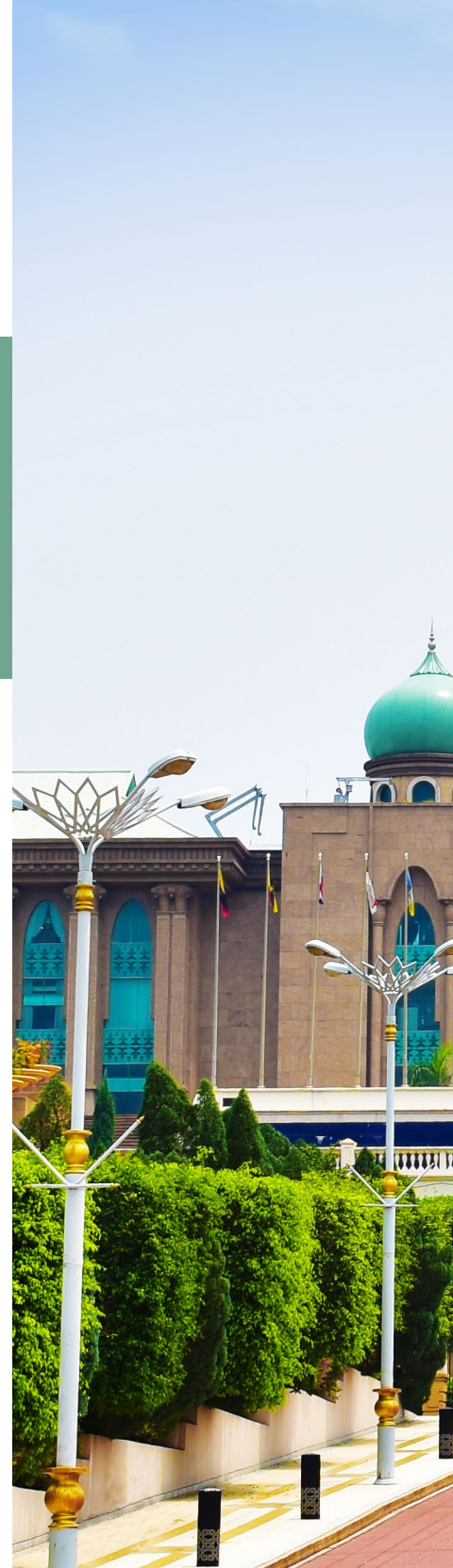
The NACP is a living document that has been developed for the purpose of ensuring its effective implementation by all relevant stakeholders (lead agencies). It aims at contributing to the reforms of the anti-corruption strategies in Malaysia.

According to United Nations Guide on Anti-Corruption Policies, monitoring provides essential information for the substantive design of new strategic elements and the modification of existing ones as necessary.

In identifying the progress and performance during the implementation of the strategies and initiatives, all activities are constantly monitored and evaluated. It is important to track all indicators that may indicate possible failures at the implementation stage. These indicators serve as the best guidance for the GIACC's Secretariat as well as the JKKMAR to ascertain each lead agency's implementing plan. By ascertaining these implementation plans, each input can be properly mapped out to a corresponding output hence help guarantee the achievement of the desired outcome. Towards this end, inter-institutional cooperation is of paramount importance for an effective monitoring mechanism. The GIACC as the main coordinator, which monitors the NACP Implementation will work closely with all relevant stakeholders to facilitate implementation and provide advice whenever appropriate.

The GIACC will even hold Coordination Performance Meeting biannually with key person(s) from all the relevant stakeholders in an effort to track on the progress and guide them accordingly during the implementation phase. Therefore, the relevant stakeholders will be required to submit a report by using a designated template to update the progress on the implementation executed quarterly.

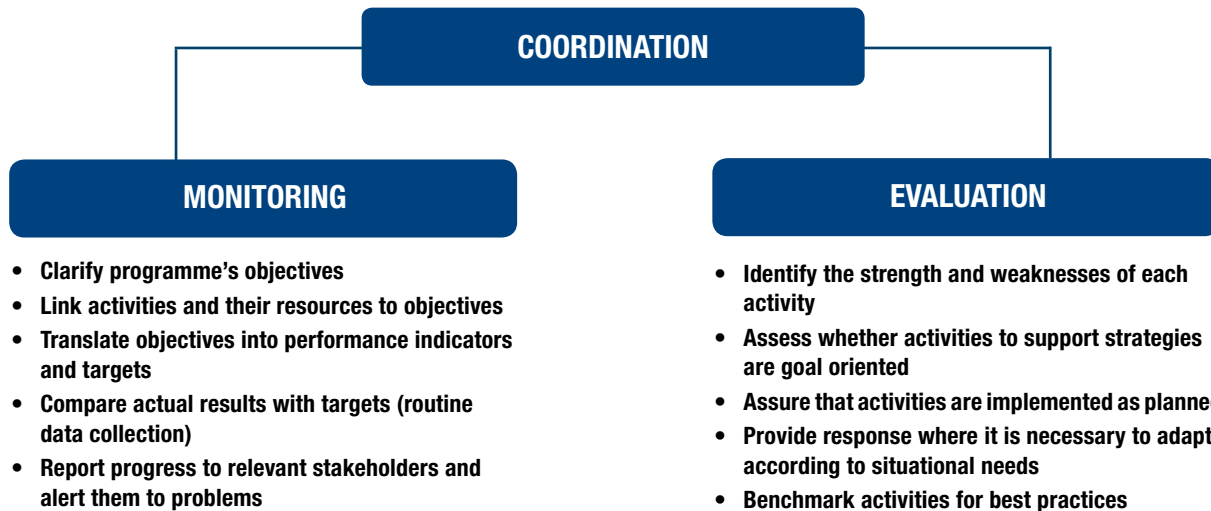
In summary, it is pertinent to emphasise that an efficient monitoring and evaluation exercise is fundamental towards the success of the NACP. This exercise will directly involve all stakeholders throughout the course of executing all strategies and initiatives. Monitoring and evaluation then is a vital practice to ensure that every action taken is in accordance with the expectation and goal of the NACP. Such practice is also necessary for accountability purposes, as well as to substantiate the effort of coordination.





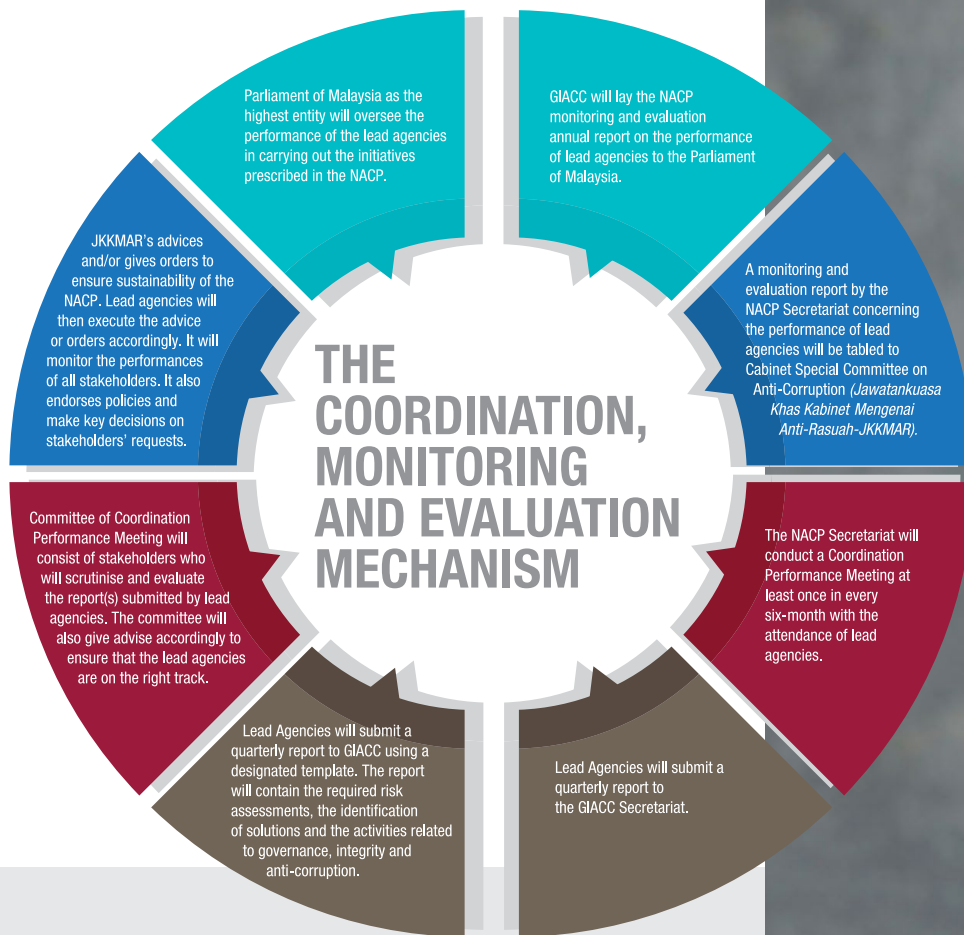


# THE COORDINATION, MONITORING AND EVALUATION MECHANISM



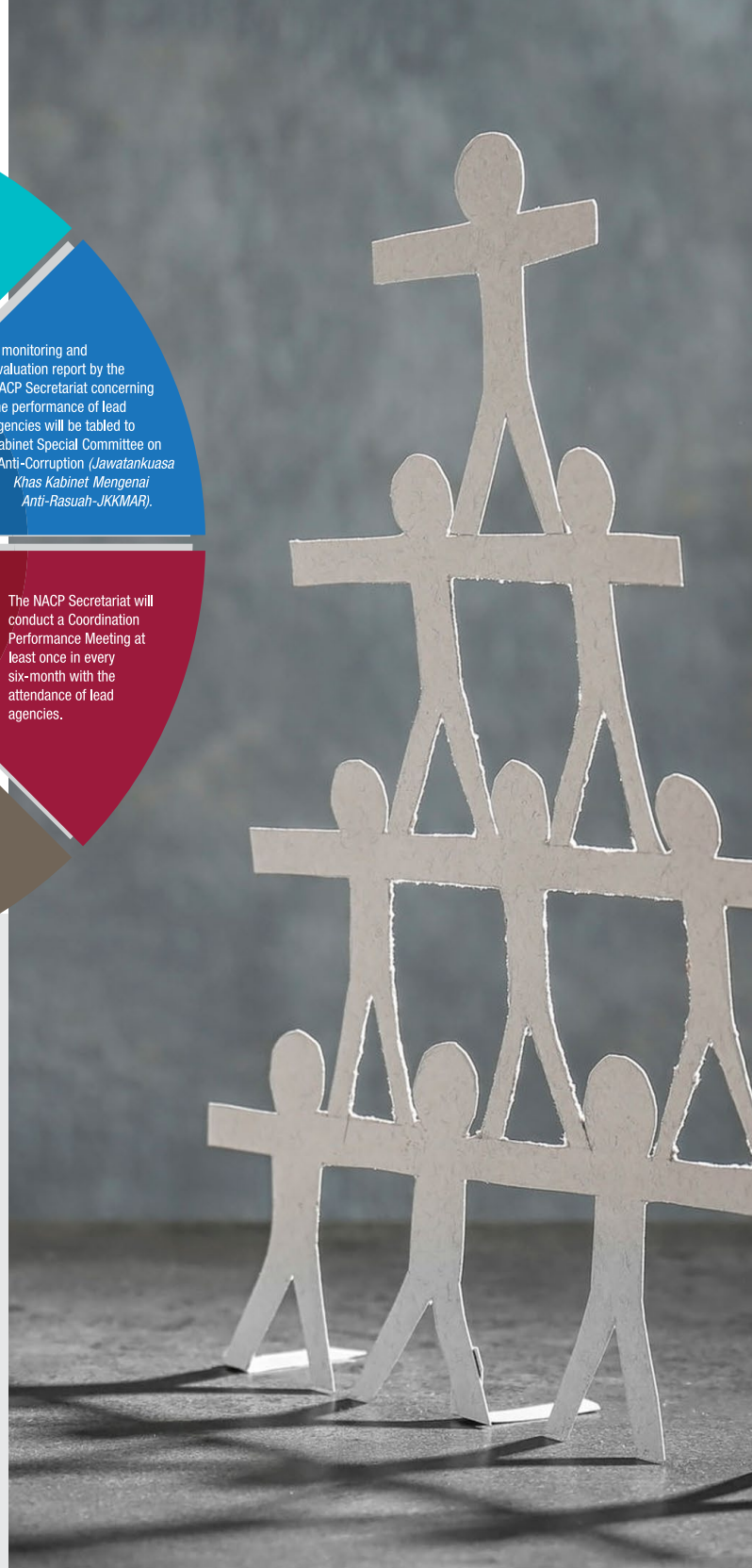
## EVALUATION MECHANISM





### COORDINATION PERFORMANCE MEETING

- Bi-annual meetings
- Qualitative and quantitative measures of all initiatives
- Scrutinise the goals of the NACP by assessing strategies and initiatives
- Monitor the NACP's implementation process







# **CHAPTER 5**

Conclusion



Over the past few years, Malaysia has undergone tough times and faced massive issues in her efforts to fight corruption; such disastrous condition will no longer continue in years to come. To quote YAB Tun Dr. Mahathir bin Mohamad, Prime Minister of Malaysia, Malaysia has to be known for her integrity and not corruption. In the face of globalisation and unpredictable political scenario, the Government has little choice but to develop an integrated and comprehensive strategy in combating corruption.



The NACP is a beginning of a long arduous journey in an effort to root out corruption in Malaysia...

It is indeed comforting to see that the new Government is putting endless effort at fighting corruption. Making such effort as its top most priority, the Government has mandated the newly established National Centre for Governance, Integrity and Anti-Corruption (GIACC) to formulate the National Anti-Corruption Plan (NACP). This plan aims at addressing the issue of governance, integrity and anti-corruption comprehensively. The plan will also act as a blueprint for transforming the nation towards a clean and respected country.

The NACP sets out a longer term vision towards a corrupt-free nation with 115 initiatives to be implemented. Through its six strategies, the NACP will ensure that efforts are streamlined across political actors, social actors, corporate entities, law enforcement agencies and many others. Stakeholders are to develop their respective OACP in addressing integrity, governance and anti-

corruption issues within their organisation.

The Government plays a critical role in ensuring resources (e.g., human resource and financial) as well as access to these resources are made available to all the relevant stakeholders to undertake the various initiatives. The NACP will be the first comprehensive plan that integrates the issue of governance, integrity and anti-corruption under one coherent framework.

In making the NACP sustainable, the implementation of the initiatives will be monitored and reviewed periodically. Continuous feedbacks, advices and guidance will be made in order to keep abreast with the current changes and national strategic requirements. The overall implementation of the NACP will be strengthened by human governance principal. This way the NACP will remain to be relevant and live beyond its mandated timeline.

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Secretary General Ministry of Domestic Trade and Consumer Affairs

Secretary General of Ministry of Energy, Science, Technology, Environment and Climate Change





Secretary General of Ministry of Health  
Secretary General of Ministry of Water, Land and Natural Resources  
Secretary General of Ministry of Rural Development  
Secretary General of Ministry of Housing and Local Government  
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Secretary General of Ministry of Education  
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