



# NEWSLETTER

A Nation Without Corruption, A Society With Integrity

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## Business Integrity Country Agenda

### ENHANCING INTEGRITY & ANTI-CORRUPTION INITIATIVES IN THE CORPORATE WORLD

After a lengthy hiatus in the research arena, TI-M has recently embarked on the Business Integrity Country Agenda (BICA) research project. The research is being funded through the Siemen Integrity Initiative.

The BICA studies the Integrity initiatives and Anti-Corruption aspects in the Malaysian business context. The BICA assessment framework contains a total of 3 stakeholder groups – Public and Private sector and Civil Society Organizations (CSOs), 15 thematic areas and 51 indicators.

Part of the research requires TI-M to form the National Advisory Group (NAG).

The NAG consists of professional experts from various fields who, with their expertise, will guide and provide insights to the researchers.

For the purpose of the study, TI-M has recruited Dr. Zaleha Othman from University Utara Malaysia to lead the research. Dr. Zaleha and her research team mates, Professor Dr. Hassan Ali and Professor Dr. Raslan will gather evidences and conduct expert interviews with relevant stakeholders to assess the status of business integrity in Malaysia.

*(Full story on Pg.3)*



Top row, L-R: Dr. Muhammad Mohan, Prof. Roslan, Prof. Hassan, Alan Kirupakaran, Tze Chin, Fara Zalina, Maria Christina & Terence Fernandez.

Bottom row, L-R: Prof. Dr. Salleh Hassan, Prof. Dr. Edmund Terence Gomez, Nurirdzuana, Dato' Akhbar, Prof.Dr. Zaleha, Dato' Sutinah & Bavani Jayadevan.

# President's Message

## WE WILL CONTINUE TO ADVOCATE TRANSPARENCY & INTEGRITY ACROSS THE BUSINESS AND PUBLIC SECTOR IN 2018

Dear members and friends of Transparency International Malaysia,

It is my great honour to be able to communicate with you all through the series of our newsletters. I would like to take this opportunity to extend my sincere gratitude to all of you whom have contributed and stood-by TI-M for the cause of Integrity. Your support for us is truly appreciated.

As I mentioned in our previous edition, it has been an incredibly productive and hectic for us this first half of the year of 2017 and this momentum continued during the second half of the year.

A number of successful corporate engagements and public events were held, raising awareness on Transparency and Integrity across the business and public sector. Not forgetting, several initiatives and collaborations were taken on to widen our reach out to the youth community as well.

2018 will see our continued efforts to advocate, educate and collaborate with the nation's stakeholders. Acknowledging the significant role that the media plays in our quest to eradicate corruption, TI-M would particularly like to work alongside with the media.

My colleagues and I at TI-M do however occasionally ponder upon the effectiveness of all our initiatives. Does the success of our initiatives reflect the true state of Malaysia when it comes to eradicating corruption? Well, I will leave that question unanswered for the moment.

TI-M has been criticised by several parties for not being as vocal as they would like us to be. While not forgetting the existing laws that keep our mouths sealed, TI-M also believes noise should not be made for noise's sake and diplomacy goes a long way to achieve some of what we want to tod. Tactful communication is a must to achieve our desired reforms. Besides that, we should also focus on long term changes. That is why we work at grassroots level – with the students, media, employees and employers from public and private sector. Nevertheless TI-M has not held back from speaking boldly where it was deemed necessary to make our voice heard.

To many it seems cleaning up the nation of corruption seems such a daunting task and even a too distant goal. However, we in TI-M will continue to strive towards this goal even if it is a slow step by step process.

As employers, employees, parents and citizens of Malaysia, it is our responsibility to inculcate the culture of integrity and anti-corruption awareness within the society we live in, the organizations we work with and amongst our youth communities. It is our sacred duty to fight corruption and injustice in whatever way possible.

And it is also my humble request to you all readers and followers of TI-M to use the upcoming elections wisely as means to oppose corruption. Your vote is the strongest weapon against corrupt cronies. Practice your rights and keep democracy alive!

Best Wishes,

*Dato' Akhbar Satar*

President  
Transparency International Malaysia



# Business Integrity Country Agenda

(Continued)

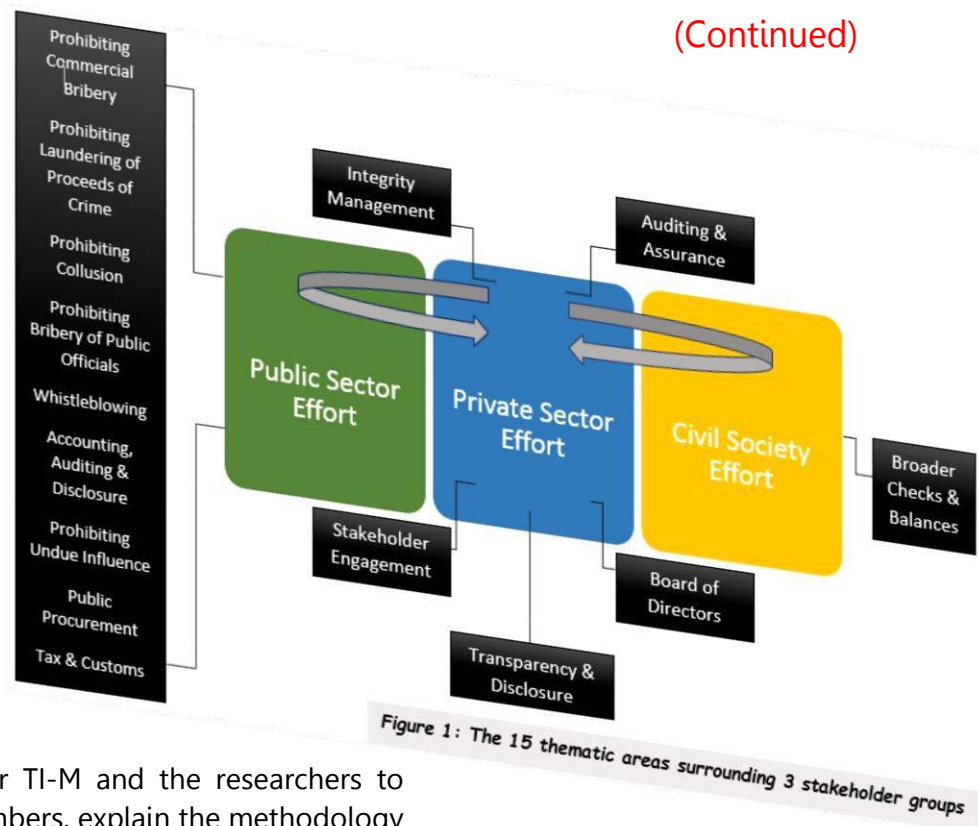


Figure 1: The 15 thematic areas surrounding 3 stakeholder groups

At the heart of the BICA assessment framework are the BICA indicators which translate the (largely) qualitative information into a quantitative score (on a five-point scale with the options 0, 25, 50, 75 & 100).

Each indicator has an overall “scoring question” and more specific assessment criteria which the researcher needs to collect evidence on. The researcher assigns the scores for each indicator, validates the scores through expert interviews and aggregates the scores to the level of thematic areas.

The NAG members would validate the scores assigned by the researchers for each thematic areas based on the desk research and relevant expert interviews conducted. There are a total of 11 individuals in the NAG formation.

The first NAG gathering was held on 23<sup>rd</sup> August, 2017.

The purpose of the gathering was for TI-M and the researchers to introduce the research to the NAG members, explain the methodology and assign relevant NAG members to a suitable thematic area.

Thematic areas that were not assigned to the NAG members were suggested to be covered through expert interviews. Several key areas of the research were also discussed, allowing TI-M and the researchers to absorb valuable inputs from the NAG members.

The researchers completed the study towards end of December and another round of NAG discussion was arranged on 16th January, 2018.

NAG members suggested several amendments to be made to the research report such as, using the introduction section to brief readers on the Malaysian business context and give more justifications for low and high scoring. Scoring for most of the thematic areas were revised upon discussion at the second meeting.

Overall, the NAG members had some reservations to certain thematic areas that scored a perfect 100. There were also instances where the NAG members felt that Malaysia does score a perfect 100, but the score given by the researchers were low.

Many issues were discussed under the indicators, which eventually led to changes of the score that we can expect to see in the final report which is due for completion in March 2018 and can be retrieved from TI-M’s website.

## NAG Members

Mr. Alan Kirupakaran

Datuk Dr. Anis Yusal Yusoff

Datuk Dr. Denison Jayasooria

Prof. Edmund Terence Gomez

Dato’ Dr. Hafsa Hashim

Tan Sri Dato’ Dr. Michael Yeoh

Prof. Salleh Hassan

Mr. Steven Thiru

Dato’ Sutinah Sutan

Mr. Terence Fernandez



# TI Annual Membership Meeting



*New TI leadership, L-R: Chair - Delia Ferreira Rubio, Vice Chair - Rueben Lifuka*

Members of Transparency International from over hundred countries, came together to discuss barriers to eradicating corruption globally and locally and together developing strategies to fight corruption. The United Nation Sustainable Development Goals (SDGs), money and politics were the topics of much debate during the Annual Membership Meeting (AMM). Representatives from TI-M was Dato Akhbar Satar, President of TI-M and Chak Tze Chin, manager at TI-M. Their trip to Berlin was funded by the TI-Secretariat.

## **13 October 2017**

All regional chapters met together to discuss their regional meeting by presenting chapters' milestones, reviewing the regional priorities to further develop TI's advocacy strategy at regional level. During the Asia Pacific Regional Meeting, the chapters in the region agreed to work on the following areas on : youth engagement, business integrity, promotion of civil society space and strengthening the Anti-Corruption Agencies.

The Secretariat also shared the regional aspects of global programmes such as the mining programme, Climate Governance, Sustainable Development Goals, and Defence Programme. TI-M shared its success on business integrity, youth engagement and defence procurement programme and reported on the progress of the research project "Business Integrity Country Agenda (BICA)".

## **14 October 2017**

Patricia Moreira, new TI-S Managing Director, welcomed all participants and explained the secretariat's main focus and area of work at TI. The following were discussed during the AMM sessions:

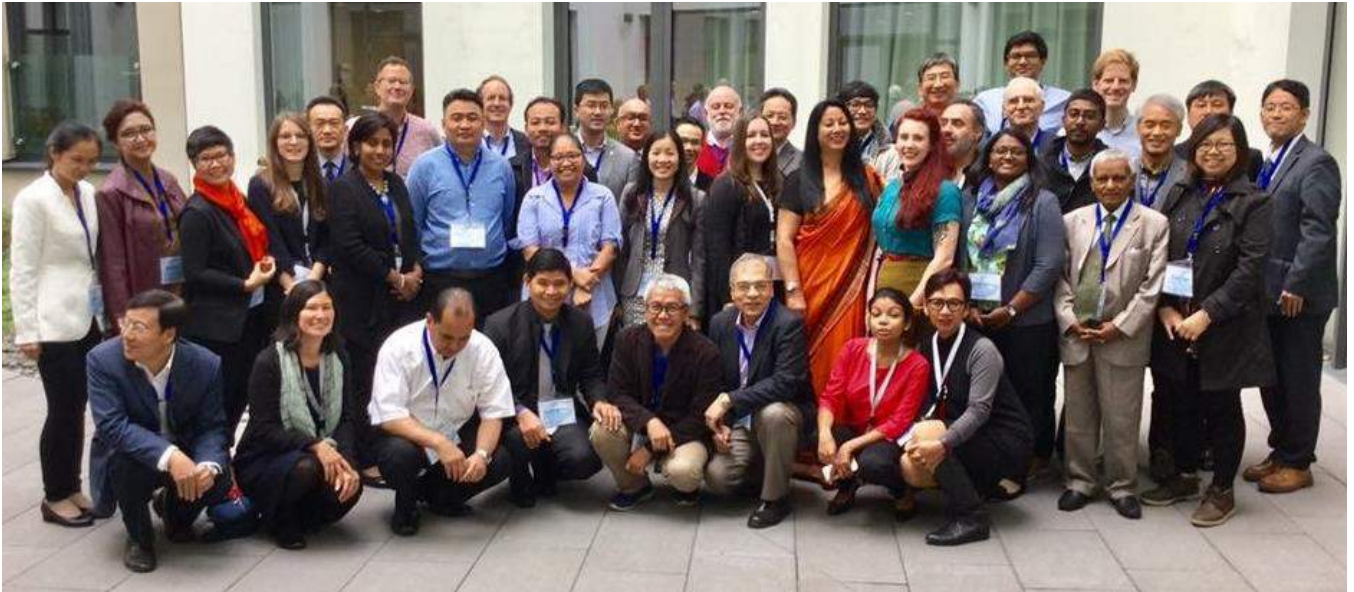
- SDGs: how to link anti-corruption in climate, land and mining
- ALAC: way forward for the movement
- Corruption as statecraft
- Business Integrity: setting the agenda for 2018
- Money and Politics: experiences from around the movement
- Open Data for anti-corruption: what has worked and where do we go from there?
- Grand Corruption: linking standards and casework
- Sustainable Development Goals: reaching people, reaching the goals
- Clean contracting: bringing in people's needs
- Fundraising diversification: securing resources in new ways across TI
- how mineral wealth is fuelling corruption, how developed country actors are complicit and what TI should do about it

## **15 October 2017**

The day started with the AMM registration of all Official Chapter Representatives (OCRs) and Individual Members, followed by a formal AMM plenary.

The members of TI elected Delia Ferreira Rubio as chair and Rueben Lifuka was elected as vice-chair, along with seven new board members. Ferreira Rubio is from Argentina and was the former president of Transparency International's Argentine chapter, Poder Ciudadano. Lifuka is from Zambia and was president of Transparency International Zambia from 2007 to 2012 and re-elected in 2017. The seven newly elected members are: Robert Barrington, A.J. Brown, Karen Hussman, Samuel Kimeu, David Ondracka, Oya Özarlan and Kol Preap. The following were elected on the TI Membership Accreditation Committee: Ernie Ko, Anton Pominov, Sion Assidon, Brian Cooksey, and John Mary Odo. The 2017 TI AMM ended with celebration of our anti-corruption heroes from among the TI colleagues, during the Amalia Award ceremony. The winners were:

1. Impact category: **I WATCH** team from Tunisia
2. Professional excellence category: **Bruno Brandão** from Brazil



*With TI Colleagues from Asia Pacific Region*

## 'Hari Integriti' with Bank Rakyat

On 23rd November 2017, Bank Rakyat held its very own Hari Integriti (Integrity Day) for the second consecutive year. The event consisted of pocket talks, presented by the Deputy Commissioner of the Malaysian Anti-Corruption Commission (MACC), YB Dato' Nor Azmi Karim as well as the President of Transparency International Malaysia (TI-M), Dato' Akhbar Satar.

The pocket talks were centred around good governance with topics entitled, "Whistleblower Protection: Reality or Rhetoric" and "Enhancing the Culture of Integrity to Reduce Corruption and Fraud."

These talks were followed by the recital of the Ikrar Bebas Rasuah (Corruption-Free Pledge) by 1,482 staff members of Bank Rakyat, which was a pledge of commitment to combat corruption and abuse of power within the bank's administration and affairs. The pledge was led by Bank Rakyat's President and Managing Director, Datuk Zulkiflee Abbas Abdul Hamid and its chairman, Tan Sri Shukry Mohd Salleh, and was witnessed by MACC's Deputy Chief Commissioner, Datuk Shamsun Baharin Mohd Jamil.



“The pledge is an initiative to engage the employees of Bank Rakyat at all levels in order to maintain integrity in carrying out their duties. In addition, it is also to ensure continuous customer confidence in Bank Rakyat,” said Zulkiflee Abbas.

This event was held in conjunction with the National Integrity Month. Among the exhibitors present at this event were MACC, TI-M, the Malaysian Institute of Integrity (INTEGRITI), the Institute of Language and Literature (DPB), the National Anti-Drugs Agency (AADK), and the Royal Malaysian Police (PDRM).



## MISC Integrity Day

On 24<sup>th</sup> November 2017, the MISC Group held its very own Integrity Day for all its employees. The event consisted of panel discussions, moderated by Puan Fadzillah binti Kamaruddin, Vice-President, Legal, Corporate, Secretarial and Compliance of MISC Group. The panel consisted of the Director of Community Education of the Malaysian Anti-Corruption Commission (MACC), YBhg Abdul Samat Kasah, Chief Integrity Officer of Petronas, YBhg Dato’ Haji Ja’afar bin Mahad, Secretary General of Transparency International Malaysia (TI-M), Dr Muhammad Mohan, and Chief Executive Officer of Trident Integrity, Dr Mark Lovatt.

This panel discussion was titled ‘Whistleblowing – Is it a risk worth taking?.’ Among the topics discussed during the panel discussion included current policies in place by various organizations and corporations, the Whistleblower Protection Act 2010, the difficulties in the implementation of the policies, what stimulates and encourages employees to whistleblow, as well as the feasibility of the whistleblowing policy.

The discussion led to a lively Q&A session, where members of the audience posed questions on anonymity in whistleblowing and the assurance of standardization and resilience of the implemented policies to the panel. The reading of the Corruption-Free Pledge and the signing of the pledge followed shortly after.

This event was held in conjunction with the National Integrity Month. Among the exhibitors present at this event were MACC, TI-M, the Malaysian Institute of Corporate Governance (MICG), SIRIM and



# Training

# SEKATARAKYAT

## STRENGTHENING INTEGRITY IN CO-OP ORGANIZATIONS

SEKATARAKAT has become the first Co-operative (Co-op) organization in Malaysia that has come forward to implement policies and procedures aimed at maintaining Integrity and curbing workplace corruption. TI-M is honoured to have kick-started the initiatives of SEKATARAKYAT by providing a series of training sessions.

Executive Committee members, M. Kanakaraja (also TI-M's Treasurer), Nurirdzuana Ismail, Yunos Yusop and Raymon Ram conducted trainings on Whistleblowing Policy, Gift & Hospitality and Fraud Risk Management. The training was attended by SEKATARAKYAT'S Managing Director, Ahmad Rozaman and 24 other employees from various internal departments.

The aim of the training sessions was to enable SEKATARAKYAT to establish the Whistleblowing Policy, Gift & Hospitality Policy and Fraud Risk Management Policy.

The series started off with the whistleblowing policy. The session's facilitator, M. Kanakaraja (Kana), conducted the training. He started off the one-day training explaining the importance of having whistleblowing channel, promoting it among staffs and deciding the method of which the organization will receive reports/complaints. Matters such as keeping incoming tip-offs as confidential and winning the trust and confidence of all employees that their complaints will be looked in to and possibly resolved were also discussed.

Kana utilized the second-half of the day by running through the Whistleblowing policy draft prepared by SEKATARAKYAT's management team.

Several suggestions for improvement and additional ideas were given by the facilitator. Discussion with the facilitator would allow SEKATARAKYAT to establish a clear policy on whistleblowing that meets the need of the employees, employers and relevant stakeholders.



*M. Kanakaraja with SEKATARAKYAT staffs, on Whistleblowing*

The second training series was on gift & hospitality policy, conducted by Nurirdzuana (Nuri). The training began with an introduction to what entails corruption and bribery, the role of the Malaysian Anti-Corruption Commission (MACC), the penalties that can be imposed on individuals caught for giving/receiving/soliciting bribe. Nuri cited laws from England and U.S that makes it mandatory for companies operating there to have firm policies and adequate procedures that controls bribery - Foreign Corrupt Practices Act 1977 (FCPA) and UK Bribery Act 2010 (UKBA). She foresees that Malaysia too would soon adapt similar laws - Corporate Liability Act. Thus, SEKATARAKYAT's initiative to have policies in place is highly commendable and encouraged.

Placing participating members into teams, Nuri suggested teams brainstorm and list down the items they feel that are unethical gifts. She had also requested them to list down areas within SEKATARAKYAT in which they feel that is most prone to gifts and hospitality giving/receiving.

Based on discussions, participants realized that it is difficult to distinct genuine gifts from gifts that are given out of other expectations. This is particularly true in the Malaysian context, where festive gifts and hospitality is a culture that has been in practice for many years.



However, SEKATARAKYAT will be working towards establishing a system to allow gifts and hospitality to be officially declared.

Whether the gift and hospitality declared can be received/given would be subjected to the approval of the higher authority that will assess the circumstances of the gift/hospitality.

The facilitator further went through the drafted Gift & Hospitality Policy paper that was drafted by SEKATARAKYAT's management team. Several suggestions from the facilitator was provided to be included in the policy that will be finalized.

Among the suggestions was to ensure that it is compulsory that gifts above RM 200 are declared, action on the rejected gifts are to be mentioned and to extend the policy to the stakeholders of SEKATARAKYAT and not limit its applicability to the employees/Board.

The third series on Fraud Risk Management included a three-day session that were held on 29<sup>th</sup> September, 16<sup>th</sup> and 20<sup>th</sup> October 2017. The first session was conducted by TI-M Exco members Yunos Yusop, Raymon Ram - first half of the day, and Kana, for the second half of the day. An introduction to the topic of Fraud was introduced to the participants. Identifying red-flags and examples of circumstances that create opportunities to commit fraud was discussed.

The second day of the session was facilitated by Raymon who ran through the Association of Certified Fraud Examiners' (ACFE's) Fraud Risk Assessment Framework. Working in groups, participants went through 11 assessment sets to identify key areas for risk within SEKATARAKYAT, grading them as "low", "medium" and "high" risk areas. This session would eventually lead to the discussions for the third day session.

The third day session was conducted by Yunos Yusop and Kana. Based on the assessments, trainers discussed key areas SEKATARKYAT could work on – Clear job description, employee screening and



*Mr. Rozaman & Nurirdzuana*



*Raymon (standing), guiding Rozaman & his team on the FRM Assessment*

profiling, physical Controls, Cheque tampering schemes, billing and purchasing schemes and corruption schemes.

Mr. Kana had also gone through risk mapping with the participants. He had also given suggestions to the points that needs to be addressed in SEKATARAKYAT's Fraud Risk Management Policy.

Inspired by SEKATARAKYAT's voluntary approach towards establishing these policies, TI-M hopes that more private companies come forward with such initiatives, particularly SMEs. Having policies and procedures are key to safeguarding the company from losses – monetary and reputation. It also shows your commitment towards upholding the principles of good governance and keeping up with good business practice, which can only bring more benefits and gains.



# ISO 37001 and CIS Introductory Seminar at Cambodia

On 24th October, we took a single-day business trip to Phnom Penh to attend the introductory seminar on "ISO 37001 and Corporate Integrity System". Cambodia has attained its lower middle-income, with gross national income (GNI) per capita reaching USD 1,078 in 2016. UN report calls Cambodia an 'early achiever' for its accomplishments in meeting its Millennium Development Goals (MDGs) on poverty alleviation.



In spite of these achievements, Cambodia still faces challenges in its business environment whereby it has been identified that the business entities here are suffering from high unpredictability and high overhead costs, and the small firms in particular find the business environment are challenging.

Cambodia ranked 156 out of 176 countries in TI's Corruption Perceptions Index (CPI) and it is ranked at 131 among 190 economies in the 2016 World Bank Group's annual ease of doing business report.

As Corruption and bribery remains significant risk

in Cambodia, TI-Cambodia organized the seminar to raise awareness on strengthening internal control using Corporate Integrity System and ISO 37001 Anti-Bribery Management System (ABMS). There were about 100 participants from business sector, government, civil society and students attended the seminar. TI-M will be organizing seminars and courses on Business Integrity Programme and ISO 37001 ABMS in 2018, please contact [ti-malaysia@transparency.org.my](mailto:ti-malaysia@transparency.org.my) or call us at 03-7960 6630 for further information.

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## Gap Analysis for MRCB

In efforts to implement the ISO 37001, Anti-Bribery Management System (ABMS) within their organization, Malaysian Resources Corporation Berhad (MRCB) had approached TI-M to conduct the preliminary stage - also known as the GAP analysis for the implementation. Mr. Teh Chau Chin, and independent consultant and an expert in the area of Corporate Risk Management conducted the Gap analysis on behalf of TI-M, analysing and identifying several areas of risks within MRCB.

With the submission of the written final Gap Analysis report, MRCB would be able to successfully move on to the next stage, fully implementing the ABMS in their organization. The suitability, adequacy and effectiveness of the ABMS should be assessed on a continual and regular basis by the MRCB team to determine if there is a need or opportunities to improvise and change their ABMS accordingly.

TI-M applauds Mr. Samarasam Krishnan (Senior Manager, Integrity and Discipline Department – MRCB) and his team on the efforts and initiative taken to establish such standards that mitigates bribery. It is encouraging to see more and more private entities taking on appropriate measures to ensure integrity is in place within their operating context.

# Youth Debate 2017 with Asia Pacific University

Even with lots going on in the Business Integrity Programme arena for the year of 2017, Transparency International-Malaysia (TI-M) has not forgotten its commitment to educating and promoting Integrity among the youth segment.

TI-M's Annual Youth Debate 2017 went ahead successfully, this time in collaboration with Asia Pacific University (APU). Not following the traditional one-day debate event, TI-M co-organized the debate through APU's one-day forum, titled 'Good Governance and Forensic Accounting: The path to Transparency, Accountability and the Rule of Law'. An estimated of 100 Forensic Accounting students and a few APU lecturers attended the forum.

The forum began with a presentation by Dr. Muhammad Mohan (Secretary-General, TI-M) on business corruption. He spoke about the common types of corruption in the corporate field and cautioned students that temptations and opportunities to commit corruption will arise once they get to the working field. He stressed that it is important for current students to be aware of it and prepare themselves to deal with the situation in a rightful and proper manner.



The forum then moved on to the Youth Debate 2017. The motion for the debate was "Privatization will serve the Public Interest" and the judges for the debate were Dr. Muhammad Mohan (Secretary-General, TI-M), Mr. Sivasangaran Nair (Member of TI-M) and Ms. Meera Eeswaran (Lecturer from APU).

The one-hour showcase debate featured three debaters in each of the two groups. Though both the groups brought out many points, the team opposing privatization won the debate, bringing on many substantial facts and strongly defending their standpoint.



**Judges of the debate: Mr. Siva Nair, Dr. Mohan & Ms. Meera**

The one-hour showcase debate featured three debaters in each of the two groups. Though both the groups brought out many points, the team opposing privatization won the debate, bringing on many substantial facts and strongly defending their standpoint.

Panel discussions and a presentation on a few topics relevant to the law and justice were held during the second half of the day.

Among the topics of the discussion were the Evidence Act, whistleblowing policy and money laundering. The panel discussion was joined by Deputy Public Prosecutor, Tengku Amir Zaki and Muhamad Nazri, Anti-money laundering expert who previously worked with Bank Negara under the Financial Intelligence and Enforcement department. The discussion was moderated by Mr. T. Gunaseelan, Advocate and Solicitor from Gunaseelan & Associates.

APU had also invited Dato Raveendra Kumar, Rimbun Capital managing principal, to join the second panel discussion on 'Evidence Act in Practise' with Ms. Geetha Rubasundram, Forensic Accounting Lecturer at APU. The discussion was moderated by TI-M Exco member, Raymon Ram who represented Association of Certified Fraud Examiners (ACFE) on that day.

The forum ended with a presentation by Muhamad Nazri who spoke of the methods and processes of obtaining evidences pertaining to financial crimes. He also shared some of his real experiences resolving financial crime cases through searching for documentary evidences in the premise of VIPs, spending days going through each documents while ensuring that proper labelling to the findings has been done.

TI-M is glad and honoured to have been able to join APU. We also extend our sincere thanks to

Ms. Geetha Rubasundaram, who organized the event and made the 2017 Integrity Debate possible.

We hope more collaborations to reach out to the students of APU, and rest of the youth in general are made in the coming years. Besides debates, TI-M would also be looking in to organizing similar forums and workshops that could encourage further interaction and deepen the knowledge of the youth on the topic of Integrity and anti-corruption.



## National Integrity Convention 2017

TI-M president, Dato Akhbar Satar was invited to be participated at the National Integrity Convention, his session was on "Combatting Corruption, Malpractices and Abuse of Power: Are we winning the battle?". This year's theme for the Convention was: "Reinforcing Corporate Integrity: Top Down and All Around", pushes for integrity to be driven from the top. The Convention was divided into three segments: Keynote Address, Concurrent Sessions and Roundtable Discussion. Group Chairman of Permodalan Nasional Berhad, Tan Sri Abdul Wahid Omar delivered the keynote address. The Convention was officially closed by Minister in the Prime Minister's Department, Senator Datuk Paul Low Seng Kuan. More than 400 delegates from corporate and private sector participated in this Convention. The Integrity Course Module for Construction Industry was launched at the Convention too.



*Mr. Alan Kirupakaran & Dato' Akhbar Satar at the NIC 2017*



# Editorial

## Where does it all begin?

There was once an article about a survey of new graduates on what job they would most prefer in the public sector. It seems that almost 60% of the students interviewed preferred to work in a government department that was deemed to be the most lucrative in terms of illicit income. Now that really is a shocking revelation! What it shows is that the graduates don't care a damn for integrity and honesty. All they want is a good income without regard to whether the money is earned legally or illegally.

This also shows that there is a serious flaw in how these youths have been brought up and influenced from young. There are several factors contributing to this sad state of affairs, some of which are as follows:-

- Little or no religious upbringing with emphasis on morality and integrity
- Inadequate parental guidance on what is morally right or wrong.
- Parents, relatives and family friends who are in positions of responsibility but openly flout their ill-gotten gains and wealth. This leads to hero-worshipping these perpetrators and following their example.
- Educational institutions that completely neglect the moral development of the students and focus only on their academic accomplishments.
- The increased emphasis on material achievement – to have branded items, bigger homes, fabulous furnishings and luxury cars. All these leads to the need for more cash and subsequently more the temptation to receive illicit funds and become corrupt.

These are but some of the causes that lead to corruption. Our society has slowly descended to a state where those with wealth are respected and those who don't are side lined. When this happens, those who are side lined tend to take the easy way out to earn exorbitant wealth in order to be respected by society. Strangely even though society knows that the wealth is through dubious means, the perpetrator is still respected for his or her wealth, not for his or her integrity or honesty.

As long as such perceptions exist, it is going to be very difficult to weed out corruption, unless very dedicated and determined efforts are taken to inculcate morality and integrity right from an early stage by parents, the education system, the government and the religious bodies. All of which seems at the moment to be an impossible dream.

## Preach & practice integrity.

Siva Nair

Editor



# International Anti-Corruption Day 2017 with Top Glove

Corporations, private agencies urged to uphold anti-corruption, integrity practices



From L-R: Eva Vinoni, Dato' Lee Kim Meow, Dato' Akhbar, Tan Sri Dr. Lim Wee Chai, Amerul Muner, Dr. Mark Lovatt, Dr. Muhammad Mohan & Tam Wah Fiong

TI-M in collaboration with Top Glove, organized the TG Integrity Talk and TG Integrity Run 2017 over the weekend of December 8-9 in conjunction with International Anti-Corruption Day to raise awareness on the importance of anti-corruption and integrity practices to the employees, customers and vendors.

Corporations and private agencies in the country are urged to emphasize on the upholding of anti-corruption and integrity practices that are being seriously implemented by the public sector.

Transparency International Malaysia (TI-M) President, Dato' Akhbar Satar said such a culture could enhance the confidence of investors, especially from abroad to expand their business in the country.

He said according to the Association of Certified Fraud Examiner (ACFE) report, any corporate company that did not practise a culture of anti-corruption and integrity could cause them to incur losses in profit of up to 5 per cent. "As such, practising a culture of integrity and anti-corruption is clearly evident in the success of any company as it can create a more respected and favourable working environment," he told Bernama.

"For example, Top Glove Corporation Berhad (Top Glove), takes very seriously the culture of integrity and anti-corruption practices and has been awarded the International Standards Standard Certificate ISO 37001 Anti-Bribery Management System," he said, adding that the company should become a guide for other corporate bodies in curbing immoral activities.

Akhbar said the latest action by the Malaysian Anti-Corruption Commission (MACC) to track down those who gave bribes was the best way to curb corruption in the country because without the giver, there would be no receiver.

Meanwhile, Top Glove Managing Director, Lee Kim Meow, said his company would continue to cooperate with the government and related parties in curbing corruption as well as promoting integrity practices to any organizations that dealt with them.

He said measures taken by his company was in line with the government's desire for a developed nation in which all parties must play a role in curbing corrupted practices besides nurturing a culture of anti-corruption and integrity practices starting from young. – Bernama



*With the runners of the TG 2017 Integrity Run.  
 Champion: Diivanathan Gunasagaram, 2<sup>nd</sup> Runner up, Lim Jin Feng, 3<sup>rd</sup> Runner up Lee Ting Sheng*

# United Nations Convention against Corruption (UNCAC)

**Prepared by: Chew Phye Keat (Exco, TI-M)**

The UNCAC meeting to discuss the implementation of Article 10 (Public Reporting) and 13 (Participation of Society) was held in Manila on 29<sup>th</sup> November 2017. The event was organised by and sponsored by the United Nations Office on Drugs and Crime (UNODC - Regional Office for South East Asia and Pacific).

The aim of the meeting was to provide a platform for Civil Society Organisations (CSOs) and Anti-Corruption Agencies (ACAs) in the South East Asia region to discuss how to implement Art 10 and 13 in the focused areas of (i) access to information and (ii) participation in the decision making process and how the CSOs and ACAs could work together on these areas.

There was good representation of both CSOs and ACAs from around the region – every ASEAN country was represented. For Malaysia, TI-M was represented by Exco Member Chew Phye Keat (CPK) and MACC was represented by DCC Dato’ Shamsun Baharin and PP Nik Nurzai.

## **TI-M’s contribution to the meeting:**

CPK was requested to be a panellist in the panel discussion on the above topic as per the agenda. CPK shared the following:

1. In the two areas of access to information and participation in the decision making process there needs to be a socio-cultural shift in the “grundnorm” of the nation that democracy has to be participatory and not just limited to the ballot box once in 5 years. Part of this participatory democracy is reflected in these two areas.
2. At the moment only two states has the Freedom of Information Enactment (FOI). Such a legislation needs to move to the Federal level and become a Federal Statute.
3. On the negative side the Official Secrets Act (OSA) seems to be over used by the Government and would in fact undermine the impact of the FOI. In fact currently an important Auditor General Report is even being quarantined from the Parliament by use of the OSA.



4. Access to information also means the public should be allowed access to those who have the information as a matter of their profession or calling i.e. the media and journalist and such stakeholder persons should be allowed to obtain and publish information. Access to information is thus also being undermined by measures to curb the freedom of the press.
5. For those who see wrongdoing and want to expose the same the Whistleblower Protection Act (WPA) has been useful to protect such persons but currently it has a particular weakness in that where the disclosure itself would breach any written law, the WPA would not apply. This weakness has to be redressed.
6. In terms of civil society participation in the decision making processes of public administration, this appears to be discretionary on the part of the government and it depends on the regulator or the Minister concerned as to whether such participation will be permitted or encouraged.
7. What mechanism of cooperation between the CSOs and MACC could be proposed to address the above issues? CPK suggested that there should be a joint working team established between the CSOs and MACC to deal with these issues in the manner of an Ombudsman like body. For example if access to information on a particular issue is denied due to the OSA, this body comprising the MACC/CSOs should be allowed to review the decision to block the information under OSA and declassify the information if deemed appropriate.
8. Also this joint working body could also be used to work on preparing a list of decision making bodies who should allow civil society participation when certain decisions are being made. The entire bureaucracy of the government could be subject to this list and made to comply with the obligation to allow participation by civil society in the decision making process.
9. However CPK emphasised that empowering the MACC in this manner needs a major structural change for the MACC. Today it is a Commission under the MACC Act and therefore its officers are under civil service rules and can be removed and transferred to other government agencies at any time under the orders of the government in the Executive Branch of the Govt. What needs to be done is to elevate the MACC to become a Commission under the Federal Constitution and thereby placed under the aegis of the Parliament and not the Executive.

**Learnings from other countries:**

It was clear that certain countries (Myanmar, Laos, Cambodia, Vietnam) were building their foundation on these UNCAC provisions, whereas certain countries (Malaysia, Indonesia) had achieved some degree of compliance but of course continued to face challenges as shared. Philippines was impressive with the wide constitutional powers given to the office of the Ombudsman to deal with corruption matters.



*Mr. Chew Phye Keat (standing) at the UNCAC discussion*

UNDOC will summarise the findings from the meeting and circulate possible implementation actions for the governments and CSOs to consider adopting.

**Concluding Remarks:**

I thank TI-M for the opportunity to participate in this event and for the secretariat support from Chin and Bavani.

# Horizontal and Peer learning with TI-Pakistan on Business Integrity Programme

TI-M conducted an intensive Business Integrity Programme training and introductory course on ISO37001 Anti-Bribery Management System (ABMS) to our colleague, Mr Kashif Ali from TI-Pakistan on 22<sup>nd</sup> to 27<sup>th</sup> November. Tze Chin shared the experience of TI-Malaysia in implementing the Corporate Integrity System Management (CISM) in Malaysia – with companies, state enterprises and other organisations to help them implement anti-corruption programmes and also on how we introduce global best practices and materials, developed through TI's well-established international business integrity work, to CISM Roundtable Members and companies in Malaysia.



*Mr. Kashif Ali (Executive Director, TI-Pakistan) & Ms. Tze Chin (Manager (TI-M))*

The course subjects included the followings:

- a. Corporate Integrity System Overview
- b. Assessment using self-assessment toolkits (SETs)
- c. Material design for the policies and procedures (Whistleblowing, Conflict of Interest, - Gift and Hospitality, Charitable Contribution & Sponsorship, Political contributions, Facilitation Payments)
- d. Case studies

TI-M's Exco, Ms. Nurirdzuana Ismail conducted the training on the ISO 37001 Anti-Bribery Management System (ABMS). Her course covered the followings: Elements and operations of ISO 37001 and its principal processes, correlation between ISO 37001 and other standards and regulatory frameworks, the approaches, methods and techniques used for the implementation and management of an ABMS. She has shared the experiences and challenges from an implementer's perspective.



*Ms. Nuri (standing) explaining how Pakistan can leverage on ABMS to improve integrity in the private*

# Youth Movement for Transparency Asia-Pacific

Youth Movement Transparency Asia-Pacific (YMTA) is a seven-country strong network of young people committed to the global fight against corruption. Aimed to mobilize the youth of Asia-Pacific to take part in various innovative and independent ventures that further the global anti-corruption movement with a central theme of transparency, accountability and integrity, YMTA's main goal is to engage the youth to become a part of their movement through creative initiatives that revolve around the issues of human rights, good governance, and transparency.

Transparency International Malaysia (TI-M) is a part of this network, and in line with its visions, ran a project initiative aimed to create and strengthen social awareness on corruption issues among the youth group via social media campaigns and video productions.

The social media campaign was run as a contest from November 19 till December 17, where Malaysian youths were asked to share a photo or a short video depicting the theme of transparency and integrity, and were essentially asked to **#WriteForMalaysia lah!**

Although the submissions received were all great, a contest ultimately has to have winners, and here's what the winning submitters had to say about the campaign:

## First Place: Eulene Ooi Tsu Phin (22), Penang

"The initial challenge of the Transparency International Instagram Photo Competition for me was selecting the right photo for submission as it is often difficult to capture such abstract terms like integrity and transparency in a photo. However, the challenge pushed me to take a step back to reflect on what transparency, trust and integrity means to me first and foremost.





While reflecting on these words, I saw the image of the different races in Malaysia, working together. Despite the many differences, there was still so much sense of trust and transparency between one another which propelled the team to grow and achieve greater heights, individually and as a team.

This Instagram photo competition challenged me personally as a Malaysian to be the change that I want to see in this country. It has reminded me again that truly, we are stronger together and that there is no better time for change than now."

**Second Place: Mohamad Najmuddin Bin Abdul Jameel (25), Kuala Lumpur**



"TI-M (*Transparency International Malaysia*) has done a great job in improving, creating awareness and enriching (the) society with good values such as integrity, accountability, transparency and free from corruption. I am truly glad to participate in this competition and hope more young generations will join their hands together in making TI-M objectives successful."

**Third Place: Tan Soon Chia (25), Selangor**



"I think it's a great idea to reach the younger generations via social media to raise awareness and hence I decided to join. Thanks for having me."



# Get Involved

# Report Corruption!

Have you or someone you know been a victim of corruption? Are you unsure of what step you need to take next? Please allow us at TI-Malaysia to assist you. Any Malaysian citizen can report their complaints in relation to corruption through the 'Speak Up' Hotline and receive free legal assistance.

**Report Corruption! Call Hotline 1800-220122, Monday to Friday, 9am to 6pm**



## WELCOME ABOARD!

### TI-M's New Employee & Interns



**Maria Christina Stephenson**

**Living to be a good example to everyone**

**Dedicated to empowering the youth and women.**

Christina graduated with a Master in Science in Seed Technology from Massey University, New Zealand. Upon her graduation she has worked in many prestigious organizations like ASEAN Plant Quarantine and Research Centre, International Plant Genetic Resources Institute (IPGRI-APO), Universiti Putra Malaysia, SIRIM Bhd and International Tropical Fruits Network as project officer. She has mainly worked on projects that would reduce and eradicate poverty and enhance household income through many simple ways. Later on, she helped to develop strategic plan for her organization in line with the UN SDG Goals which was then adopted. In 2014 she worked at TI-Malaysia in the Forest Governance Project funded by Norway. That was the period she had developed an interest to work on anti-corruption programmes. On 19th September 2017, she has re-joined TI-Malaysia as Accounts cum Admin Executive.



**Aswini Nath**

**Insightful, quick-sighted and supportive.**

Aswini is a final year student, pursuing her Bachelor degree in Media and Communication Studies at Amrita University, India. As a media student, she believes that true information is the most valuable element needed in the efforts to promote integrity and combat corruption. Yet, it is difficult scoop and to obtain. This inspired her to join TI-Malaysia. Aswini had some experiences of training in journalism and reporting as well as in visual communication. She looks forward to doing counter-terrorism studies for her post-graduation and believes that working with Transparency would be a great start to accumulating relevant experiences and skills.



**Chunyuan, Hu (Gina)**

**Multitalented, steadfast and unassuming.**

Chunyuan has completed her Bachelor of Liberal Arts in Chinese Literature in 2017. After graduation, she decided to explore different fields such as anti-corruption, migration, refugee, human rights before applying for master program. Working with TI-M helps her deepen the understanding of corruption and makes her realize that all issues she is interested in are all connected and affected to/by each other, which gives her the bigger picture while analyzing and addressing all problems. With these experiences, she hopes that she can be the person who has multidimensional awareness and eventually create a positive impact in the future.



## LET'S STAND FIRM AGAINST CORRUPTION

The time of being a bystander is over. The time to take action has begun. Are you thinking, "But what could I possibly do to contribute?"

The correct answer is JOIN US.

The time to make a better future for our children is NOW.

Do you believe in the values that uphold GOOD GOVERNANCE?

Would you like to be a part of THE VOICE against corruption?

Then come join us as a member @ Transparency International-Malaysia!

Click <http://transparency.org.my/join-us-2/> for membership, or contact

***ti-malaysia@transparency.org.my*** or call **03-7960 6630**

You can also show your support through financial contributions.

Your contribution will support TI-Malaysia's research, advocacy, awareness raising and public outreach and education programmes in working towards yours and our vision: a nation that is free of corruption.

Cheques or cash can be banked in to TI-Malaysia's Public Bank Account and made payable to :  
**"The Malaysian Society for Transparency and Integrity"**. Public Bank A/c no : 3131-434-022



*Photo Credit: Wall Street Journal*

*(<https://www.wsj.com/articles/SB10001424127887324659404578500830784721920>)*

**The poor suffer.**

**Corruption undermines development  
and costs lives.**

**Join us.**

**Be the light you want to see.**



**TRANSPARENCY  
INTERNATIONAL  
MALAYSIA**

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