

**ANTI-CORRUPTION MECHANISM TO ENHANCE INTEGRITY,
TRANSPARENCY AND ACCOUNTABILITY
IN PUBLIC ADMINISTRATION – THE MALAYSIAN EXPERIENCE**

=====

1. MALAYSIA’S POSITION

1.1 The Malaysian Government has always regarded addressing the threat and problems of corruption as its main agenda and an on-going commitment. Malaysia is very clear in its vision of creating a corrupt-free and developed nation, imbued with high ethical and moral values. Every effort including preventive, educational and punitive ones have been carried out. The government has addressed this problem since Malaysia’s independence. One of the significant actions taken by the Malaysian Government was the establishment of the Malaysian Anti-Corruption Commission (MACC), formerly known as the Anti-corruption Agency in 1967 to address corruption problems in the public as well as private sectors.

1.2 The Government does not tolerate corruption, abuse of power, and malpractices and leaves no stone unturned in combating them. Those involved in corruption are investigated and, as long as there is enough evidence, are brought to justice without fear or favor. The government has demonstrated strong political will not only in structural and administrative reforms, particularly in the public service, but also in strengthening the MACC capacity by increasing its manpower and annual budget.

1.3 Various initiatives have been undertaken by the Government to combat and prevent corruption, abuse of power and malpractices to ensure that Malaysians are able to live a quality life that is happy and peaceful. To achieve this, the government has taken a holistic approach involving all sectors that is the public and the private sectors and also the participation of the civil society.

2. COMBATING CORRUPTION IN MALAYSIA: WHAT HAS BEEN DONE?

2.1 In Malaysia, we have already put in place the necessary legislations and mechanisms to fight and eradicate corruption, abuse of power and malpractices. Legislation provides ample power to the Malaysian ACA to carry out punitive and preventive work. There are five laws under which offences of corruption, with its related bribery and corrupt practices, are embodied, namely:-

- The Malaysian Anti-Corruption Commission Act 2009 (Act 694).

- The Emergency (Essential Powers) Ordinance No.22, 1970.
- The Penal Code (F.M.S. Cap 45).
- The Customs Act, 1967 (Act 325).
- The Election Offences Act, 1954 (Act 5).

2.2 The establishment of the Malaysian Anti-corruption Commission (MACC) in 2009 as an independent, transparent and a professional body to combat corruption.

2.2.1 The MACC adopts a three-pronged approach to deal with corruption. Broadly they are as follows:-

- Enforcement through detection, investigation and prosecution;
- Prevention and anti-corruption advise; and
- Community education.

2.3 The creation of ombudsman functioning agencies such as the Public Complaints Bureau and the Audit Department.

2.4 The setting up a the Public Accounts Committee (PAC) to scrutinize on the public expenditure

3. **STRENGTHENING INTEGRITY AND ENHANCING TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC SERVICE**

The government constantly strives to enhance the effectiveness and strengthen the integrity of its public administration. An efficient and effective public administration of high integrity reduces opportunities for corruption. The following are some of the numerous steps that have been undertaken:-

3.1 **Improving Public Service Delivery System**

Various initiatives have been introduced to improve the public sector delivery system by reviewing, strengthening and simplifying existing rules, regulations and work procedures. Greater emphasis has been given to simplify cumbersome procedures, eliminate unnecessary delays due to bureaucracy and red tape. Some of the measures taken are as follows:-

- 3.1.1 Setting up of one stop centre
- 3.1.2 Providing customer-oriented services
- 3.1.3 Improving the system, work processes and procedures

- 3.1.4 Introduction of client's charter, the TQM, the excellent service award etc.
- 3.1.5 Upgrading the use and strengthening of ICT
- 3.1.6 Improving land administration
- 3.1.7 Enhancing transparency in public procurement through signing of an Integrity Pact
- 3.1.8 Enhancing transparency in public finance
- 3.1.9 Promoting integrity in Customs transactions and border processing
- 3.1.10 Adopting 'no wrong door policy'.

3.2 **Integrity Enhancement Program**

3.2.1 **Setting up of Special Cabinet Committee on the Integrity of Government Management**

In its effort to have a more comprehensive method of preventing corruption, the Government has set up the Special Cabinet Committee on the Integrity of Government Management, headed by the Prime Minister himself. Similar committees named Integrity Management Committees (which in 2009 were changed to Committees on Public Governance) were established in 1998 in all ministries, federal agencies, state and district offices.

3.2.2 the adoption of Code of Conduct and Code of Ethics for government servants, the judges, members of the Parliament and also the Ethics and Administration of the Institution of the King;

3.2.3 Signing of a Letter of Undertaking;

3.2.4 Countering conflicts of interest;

3.2.5 Declaration of asset by public servants.

4. **THE HISTORY OF THE ESTABLISHMENT OF COMMITTEES ON INTEGRITY MANAGEMENT**

4.1 **Why Were Previous Efforts Less Effective?**

Efforts taken in the past did not bring about much desired results mainly due to the following reasons:-

4.1.1 Measures taken in the past were on a piece-meal basis without identifying and solving the structural causes that generates corruption.

- 4.1.2 Efforts at developing good governance had been generally left in the hands of a few agencies and thus were not fully effective and sustainable.
- 4.1.3 The attitude of some of heads of departments did not see themselves as role models and catalysts towards internalising a culture of noble values. Heads of departments as organisational leaders should not only act as a custodian of trust and supervision but also as devisors of internal control mechanism and disciplinary controllers.
- 4.1.4 The political masters in the past did not perceive the problem of corruption as serious hence the political will to total eradication of corruption was absent.
- 4.1.5 Despite aggressive enforcement and other measures taken by the then Anti-Corruption Agency (ACA), statistics on corruption cases continued to rise. Complaints received by the Public Complaints Bureau were also increasing.
- 4.1.6 Corruption itself is hard to detect let alone to eradicate. But national effort to combat corruption and malpractices had been left to the then ACA alone and to a certain the Police.
- 4.2 At the same time, other challenges should be addressed include the following:-
 - 4.2.1 the erosion of moral and ethical values;
 - 4.2.2 the over materialistic and profit orientation in business;
 - 4.2.3 the need for greater transparency, accountability and efficiency of the government administrative machinery;
 - 4.2.4 the need for the internal integrity systems within political parties, government agencies and businesses;
 - 4.2.5 the need for political stamina to sustain the anti-corruption and other measures;
 - 4.2.6 the need for media and public support; and
 - 4.2.7 the need for an integrated and holistic approach as well as establishing a national level policy and administrative machinery with practical blue prints of action, spread over time.
- 4.3 Having considered the past trend, issues and challenges above, as well as ensuring to achieve the nation's Vision 2020; the government had approved the establishment of the Committees on Public Governance in public sector; whilst the

existing Special Cabinet Committee on Government Management was changed to Special Cabinet Committee on Integrity in Government Management.

4.4 On 8.1.1998 the national movement to consolidate the integrity system in the government administration was launched and this event marked the coming into force the Prime Minister's Directive No. 1 of 1998 which contains among others a directive to heads of government departments to set up a committee on integrity management within their departments.

6. THE ESTABLISHMENT OF COMMITTEES ON PUBLIC GOVERNANCE (CPG)

6.1 The Committees on Integrity Management which were set up in all government departments were required to initiate measures to enhance efficiency and transparency as well as to prevent opportunities for corrupt activities within the organisation. Other initiatives were aimed at inculcating high moral values and good work ethics. In 2009 the name of this Committee was changed to Committees on Public Governance (CPG).

6.2 The main objectives of these Committees are as follows:-

6.2.1 To create the Public Service that is efficient, transparent, accountable, disciplined and having the highest integrity by enhancing the practice of noble values besides making efforts at solving problems and weaknesses especially in financial management, public administration, handling of disciplinary cases, corruption, abuse of power and malpractices that are contrary to regulations, laws and religion.

6.2.2 To put in place a service delivery system that is customer friendly, with integrity and capable of meeting customer's satisfaction.

6.2.3 To create an atmosphere of Public Administration that has the competitive resilience to match the demands of stakeholders.

6.3 To ensure effectiveness, the CPG adopts a holistic approach which has the following characteristics:-

6.3.1 Comprehensive – involvement of all sectors namely public sector, private sector and non-government

organisations and members of the public in the fight against corruption. The group also include key communicators such as religious leaders, community leaders and the influentials.

6.3.2 Integrated – corruption prevention efforts not only through enforcement but to include managing officer's integrity, education and system control.

6.3.3 A planned effort – every organization should have a proactive plan on corruption prevention programmes/initiatives systematically and not 'fire fighting' or 'ad hoc' basis.

6.3.4 Continuous – combating corruption is done in a concerted and continuous manner be a continuous effort to ensure all parties comprehend the negative outcome

6.4 The Terms of Reference (TOR) of The Committees on Public Governance are as follows:-

6.4.1 **Policy and Legislature**

To identify, examine and recommend amendments to any policy, legislation and rules in order to curb weaknesses thus enhancing control against corruption, malpractices, abuse of power and other administrative weaknesses within the organization. Subsequently to document strategic plan towards enhancing best governance practices in the Public Service delivery system and to monitor and make assessment on the organization performance achievement.

Explanation:

- i. Laws that are ambiguous and deficient or which do not protect the interest or the current needs of the society besides having limited enforcement capabilities, may provide avenues and opportunities for corruption, abuse of power and malpractices.
- ii. Sometimes existing laws that are lax and outdated may be exploited by those who are dishonest. Such laws have to be reviewed and amended to curb any opportunity for corruption, abuse of power and malpractices.

6.4.2 **Systems and Work Procedures**

To identify, study and recommend changes in system and work procedures to the relevant authorities, in

order to enhance efficiency, efficacy, transparency and accountability in services, besides preventing corruption, abuses of power and malpractices especially in financial management.

Explanation:

- i. Departments that do not have any work guidance or having unclear work guidance, may encourage the use of excessive discretionary decision making and also provide opportunities for malpractices by dishonest officers.
- ii. Work directives and regulations of the department for any service rendered have to be clear and defined in order to avoid delays in making decision or giving rooms and opportunities for corruption and malpractices by dishonest staffs
- iii. To formulate or update the client's charter with emphasis on assurance to provide quality services within the reasonable time and to ensure all promises made are fulfilled.

6.4.3 Noble Values and Code of Ethics

To carry out activities that encourage the internationalization of noble values and ethics to enhance the integrity of officers and staffs at the department concerned on the conviction that the influence of ethics integrated with the influence of law will be more successful and effective in bringing about abeyance any temptation to commit any form of corruption, abuse of powers and malpractices.

Explanation:

- i. Those noble values that need emphasis among others are trustworthy, sincerity, honesty, responsible and fairness in the course of carrying out ones duties. This committee has to make an effort towards assimilation and internalization of noble values at all levels of the staff in their respective departments. The machinery of the department/agency that practices noble values will be able to control the threats of all forms of corruption and abuse of power.
- ii. Departments have to formulate motto and work philosophy that encourage internalization of good values and ethics.

6.4.4 **Customer Management**

To set up a client management system that is efficient, sensitive, friendly and responsive. Upon failure to cater with the clients' needs, organisation is deemed fail in fulfilling its entrusted duties and responsibilities. Adopting Complaint Management System to manage clients effectively and implementing the whistle blowers concept to promote continuous improvement in the delivery service system.

Explanation:

- i. Identify the principal needs of stakeholders.
- ii. Create customer-friendly system and place priority on customer interest.
- iii. Formulate an effective Compliant Management System and.
- iv. Client's Charters and Key Performance Indicators need to be reviewed and updated periodically.
- v. Display Key Performance Indicators.

6.4.5 **Internal Controls**

To set up internal control mechanism within the organization by exercising delegation of power and underlying a comprehensive, transparent and accountable work flows. Hence, to accomplish the set mission, vision and objectives, organization must optimize resource utilization and implement an efficient and effective information management system. The element of Internal controls will enable resources to be directed, monitored, and measured thus reducing bureaucratic red-tape, prevents corruption and avoids poor governance.

Explanation:

- i. Establish monitoring mechanism to improve transparency and accountability; to detect weaknesses that may lead to bureaucratic delay.
- ii. To implement empowerment and job rotation.
- iii. Publicity and information to customers.

6.4.6 **Detection, Punitive and Rehabilitative Action**

To detect any contravention of laws, regulations, systems and work procedures or code of work ethics and also to take remedial and prevention measures against those involved, according to the relevant laws

or disciplinary orders. Preventive measures should be carried out to identify symptoms of corruption. A form of cooperation to report any breach of law or conduct among staff must exist.

Explanation:

- i. Fair and firm in taking action against any misconduct committed by staff.
- ii. Channels of complaints must efficient, transparent and effective.
- iii. To identify and be sensitive to symptoms of possible negative conduct.
- iv. Counselling for problematic staff.

6.4.7 Rewards and Recognition

To give recognition to officers who have given excellent/exemplary services and those who have exhibited noble values and also to those who have reported cases of corruption, malpractices and misconduct within organization.

Explanation:

- i. To give high emphasis on aspects of ethics and values that are demonstrated by the staffs when appraising work performance and recommendation for Excellent Service Award, Conferring of Titles, Promotions and other departmental awards.
- ii. To give recognition to officers or staffs who report on corrupt practices and malpractices in the department so as to inspire and create awareness to all department employees on the need to refrain from all forms of corruption and malpractices.

7. MEMBERS OF THE COMMITTEES ON PUBLIC GOVERNANCE

In terms of implementation, CPG has prescribed that every Heads of Department must lead the task force. The reform effort in Malaysia initially focuses on combating corruption at the policy and

structural level, building strong fundamentals to support bigger and continuous change in the future. Therefore, strong commitment from political leaders, heads of government departments and government servants needed at their respective levels. The structural flow for the implementation of the CPG is shown on Attachment 1.

8. FREQUENCY OF MEETINGS AND PROGRESS OF ACTION

All chairmen of the CPG and heads of departments are required to hold their respective meetings at least once in four months and to report the status of their actions to the CPG of a higher level.

Ends.