



PEMANDU
UNIT PENGURUSAN PRESTASI DAN PELAKSANAAN

November 10, 2010

FOR IMMEDIATE RELEASE

Resolve Strengthened to Fight Corruption

PUTRAJAYA: There is still a lot of work to do in Malaysia's fight against corruption as the recent Transparency International (TI)'s Corruption Perception Index (CPI) score would indicate. Malaysia dropped slightly from 4.5 to 4.4 with its ranking remaining the same as in 2009, at 56 out of 178 countries.

According to the Director of Delivery and Monitoring Unit for Corruption NKRA at the Malaysian Anti-Corruption Commission (MACC) Datuk Hisham Nordin, although the TI CPI score may not be satisfactory, it irons out a clear path as to where the country needs to be heading in its continuous fight against graft.

"The Delivery and Monitoring Unit for Corruption NKRA works closely with PEMANDU and we accept the TI CPI score in its entirety even though it is far from flattering," Hisham said. "There is absolutely nothing to hide. But we are not discouraged because we know what we have done and put in place to fight corruption under the Government Transformation Programme (GTP). These robust initiatives are still in their early stages of implementation and we are confident they will yield the results we want.

"And if not for anything else, the TI CPI score only strengthened our resolve to work even harder to ensure that corruption is significantly reduced in this country," Hisham added.

Since initiating the NKRA efforts to fight corruption in late January 2010, the government has endeavoured to put in place appropriate mechanisms that would help reduce corrupt practices. Among them:

- **The Name and Shame Database**

The naming and shaming of offenders under the “Convicted Corruption Offenders’ Database” on the Malaysian Anti-Corruption Commission (MACC)’s website that collates details of convicted corruption offenders, including their names, identification details, employer, charge made and sentence imposed was introduced on March 4, 2010. Information is collated from state courts around the country and is displayed with the offenders’ photographs. As at October 31, 2010, 222 offenders have been listed in the database on <http://www.sprm.gov.my/>, with most cases being uploaded within a month of being indicted.

- **Guidance on Support Letters**

The Malaysia Administrative Modernisation and Management Planning Unit (MAMPU) issued a circular on support letters on April 2, 2010. The document is available at http://www.mampu.gov.my/pengumuman/02-04-2010-gp_sokong604.pdf. The objective of the circular is to ensure that civil servants when faced with attempts to influence their decisions in areas ranging from procurement awards to licensing know exactly what to do and make their decisions based on merit alone.

- **Disclosing details of government procurement contracts**

Among the steps taken by the government to create greater transparency, 3,720 government contract tender awards (as at November 3, 2010) have been published on the MyProcurement portal (<http://myprocurement.treasury.gov.my/>). Launched by Prime Minister Datuk Seri Najib Razak on April 1, 2010 as a government procurement information centre, this initiative has been designed to improve transparency and create accountability in government procurement.

- **Whistleblower Protection**

The efforts lead by the Attorney-General's Chambers to create the Whistleblower Protection Act 2010 bore fruit when it was passed earlier this year and the law is set to be brought into force by the end of 2010. With this, Malaysia honours its obligations under the United Nations Convention against Corruption (UNCAC) and creates conditions where there will be less tolerance and opportunity for corruption as well as encourages more people to come forward to report improper conduct.

- **Strengthening the Compliance Unit of each Enforcement Agency**

Each of the five key enforcement agencies (MACC, Immigration, Royal Malaysian Customs, Road Transport Department and the Royal Malaysian Police) has agreed to establish compliance units, and in doing so, has committed five of their officers to be centrally trained by the MACC. To date, central training on integrity testing has been conducted.

- **Completing Corruption Cases within One Year**

The Chief Registrar has issued a circular to all judges to settle corruption cases within one year. Other significant initiatives include the formation of 18 special corruption courts and amendments to the Criminal Procedure Code to ensure trials are completed expeditiously. Work is also being done to bring the courts to a state of readiness for operations.

- **Integrity Pact**

To encourage even greater accountability in public spending, the government is working toward introducing an "integrity pact" under which all aspects of a public project can be subject to contractual commitments not to conduct corrupt activities, which would be subject to independent monitoring. While the government continues to work on developing the appropriate mechanisms for implementing an integrity pact, the Ministry of Finance has, on April 1, 2010, issued a Treasury Directive (is available

at <http://www.treasury.gov.my/pekeliling/sap/sap2010-04-01.pdf>) to guide Ministries on the use of integrity pacts.

- **Political Funding**

For now, the government is considering requiring all contributions to political parties be credited directly to the party account and recorded, in a manner that enables a proper audit. Regulations under the Societies Act are being considered to implement this initiative – via requirements for submission of the annual statement to the Registrar of Societies.

- **Establishing a League Table for All Local Authorities**

The Ministry Housing and Local Government has its own well-established rating system – the Star Rating System (SSR) published on the Ministry’s website at <http://jkt.kpkt.gov.my/>. PEMANDU and MACC are currently working with the Ministry to explore different avenues of constructing a league table as there are elements of the SSR, which relate to transparency and accountability.

- **Hot Job Rotation**

To decrease the opportunities of corruption in the civil service, staff in ‘hot jobs’ – those in ‘high risk’ positions would be rotated on a regular basis to prevent the entrenchment of relationships and strengthen good governance and values. The Royal Customs has implemented a successful programme, where ‘hot staff’ are not placed in ‘hot locations’ or given ‘hot jobs.’ It is also developing an e-Placement system to help the agency monitor this system online.

The full effect of the above initiatives, Hisham said, will only be factored into TI’s CPI score in 2011. “We acknowledge, however, that the current initiatives in themselves are not sufficient to achieve the full extent of the desired results and targets outlined by the GTP’s Corruption NKRA,” he added. “Clearly, more serious and effective actions need to be taken in 2011, with greater intensity and focus on driving out corrupt practices.

“But the fact remains we are beginning to make an impact,” Hisham noted, “as revealed by the increase in scores from the IMD World Competitiveness Yearbook, World Economic Forum (WEF)’s Global Competitiveness Report and the Political & Economic Risk Consultancy (PERC)’s Asian Intelligence Newsletter surveys. We use these surveys as comparisons as they are the only ones that are able to provide data for both 2009 and 2010.

“We are not in any way trying to deflect attention away from the poor TI CPI score,” Hisham pointed out. “All we are saying is that there are also surveys that have shown us improving in our fight against corruption. And we want the *Rakyat* to know that as well. Clearly, we still have lots of work to do and no one is citing success yet, but we are definitely on the right track.”
