

**NAVIGATING CORPORATE RISK RESILIENCE:
THE ESSENTIAL INTEGRATION OF LEGAL PERSPECTIVE & ISO
BEST PRACTICES IN EXECUTING ORGANIZATIONAL CORRUPTION
RISK ASSESSMENT**

ESSENTIALS OF RISK MANAGEMENT:

1. DON'T DO ANYTHING WRONG TODAY.
2. DON'T DO ANYTHING WRONG TOMORROW.
3. REPEAT.



Welcome To

**NAVIGATING CORPORATE RISK RESILIENCE:
THE ESSENTIAL INTEGRATION OF LEGAL PERSPECTIVE &
ISO BEST PRACTICES IN EXECUTING ORGANIZATIONAL
CORRUPTION RISK ASSESSMENT**

MR. HATTA HASHOM
Principal Director

HHHA

HHC



COMPANY BACKGROUND



HATTA HASH CONSULTANCY (003245656-W) is one of the Governance & Anti-Corruption compliance advisory in Malaysia that has the credential to build the nation's integrity capacity and competency through ethics and integrity instruments for both organizations; government and corporate organizations.

HATTA HASH ACADEMY (003583965-U) is the leading academy which provides upskilling and reskilling trainings and supplementary courses to fulfill the needs of human competency through our unique "magical instruments".

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Mr. Hatta Hashom

LINE OF EXPERTISE

- ISO 9001:2015 Quality Management System (QMS)
- ISO 31000:2018 Risk Management (RM)
- ISO 37000:2021 Governance of Organizations (GoO)
- ISO 37001:2016 Anti-Bribery Management Systems (ABMS)
- ISO 37002:2021 Whistleblowing Management Systems (WMS)
- ISO 37008:2023 Internal Investigation (II)
- ISO 37301: 2021 Compliance Management System (CMS)
- MS 2764 Corruption Risk Management (CRM)
- Governance, Risk, Compliance & Sustainability
- Human Resources Development Training

PROFESSIONAL BACKGROUND

- Hatta Hash Consultancy (HHC), as **CHIEF EXECUTIVE OFFICER / PRINCIPAL DIRECTOR**
- Hatta Hash Academy (HHA), **BOARD OF ADVISORY – GOVERNANCE & INTEGRITY**
- Trans Certification International (TRANSCERT), as **GOVERNING ADVISORY COUNCIL BOARD**
- Professional Evaluation & Certification Board (PECB), as **CERTIFIED TRAINER**
- Anti-Bribery & Anti-Corruption Excellent (ABAC MALAYSIA), as **PANEL OF EXPERTS**
- Integrity, Governance & Sustainability Centre (M), as **PANEL OF EXPERTS**
- CyberSecurity Malaysia as, **PANEL OF EXPERTS**

- Institut Integriti Malaysia (IIM), as former **LEAD CONSULTANT, MS ISO 37001:2016 ABMS**
- Meditrain Sdn Bhd, as former **CHIEF OF MARCOM**
- Hunet Hospitality, Okinawa Japan, as former **BUSINESS CONSULTANT**
- Koperasi Lembaga Tabung Haji (KTH), as former **LAND NEGOTIATOR**
- University College of Aviation Malaysia (UniCAM), as former **SENIOR LECTURER**
- Universiti Kebangsaan Malaysia (UKM), as former **FELLOW TUTOR**

CREDENTIALS

- ❑ Advance Anti-Corruption Prevention awarded by **UNITED NATIONS OFFICE ON DRUGS & CRIME (UNODC)**
- ❑ Asia Regional Anti-Corruption Certificate awarded by **INTERNATIONAL ANTI-CORRUPTION ACADEMY (IACA)**
- ❑ Anti-Corruption Training for Corporate Organization & SMEs (SERIES 1 & 2) awarded by **SPRM**
- ❑ Certified Implementer for ISO 37001 ABMS awarded by **DEPARTMENT OF STANDARD MALAYSIA (DSM)**
- ❑ Certified Train of Trainer (ToT) Course for ISO 37001 ABMS awarded by **SIRIM QAS INTERNATIONAL**
- ❑ Certified Lead Auditor for ISO 37001 awarded by **SIRIM STS SDN BHD**
- ❑ Certified Internal Auditor for ISO 37001 ABMS awarded by **SIRIM STS SDN BHD**
- ❑ Risk Assessment & Management Course for ISO 37001 ABMS awarded by **SIRIM STS SDN BHD**
- ❑ Certified Lead Auditor for ISO 9001 QMS awarded by **INTERNATIONAL REGISTER OF CERTIFICATED AUDITORS (IRCA CQI)**
- ❑ Certified Internal Auditor for ISO 9001 QMS certified by **JXY CONSULTING SDN BHD**
- ❑ Certified Internal Auditor for ISO 9001 QMS certified by **QUALITY TRAINING CENTRE**
- ❑ Integrated Management System (ISO 9001, ISO 14001 & ISO 45001) awarded by **QHSE GROUP**
- ❑ Good Governance Certification awarded by **GOOD GOVERNANCE ACADEMY (GGA), SWITZERLAND**
- ❑ Certified Train the Trainer (TTT) awarded by **HUMAN RESOURCE DEVELOPMENT CORPORATION**
- ❑ Certified Train the Trainer (TTT) awarded by **JABATAN PEMBANGUNAN KEMAHIRAN MALAYSIA**
- ❑ Teaching Permit awarded by **MINISTRY OF HIGHER EDUCATION (MOHE)**
- ❑ Coaching & Mentoring for Performance Enhancement awarded by **RHAPSODY FRONTIER SDN BHD**
- ❑ Aviation English for Pilot License awarded by **UNIVERSITI PUTRA MALAYSIA (UPM)**
- ❑ Continuous Professional Development (CPD) awarded by **UNIVERSITY COLLEGE OF AVIATION MALAYSIA**
- ❑ Outcome Based Education (OBE) awarded by **UNIVERSITY COLLEGE OF AVIATION MALAYSIA**
- ❑ Motivation Enhancement Therapy (MET) awarded by **MANSALIN SDN. BHD.**
- ❑ Theory of Constraints for Education (TOCFE) in Directed Leadership awarded by **TOCFE EDUCATION INC**

PROFESSIONAL CERTIFICATION / CREDENTIALS



ASSOCIATE CERTIFICATION BODIES / PARTNERSHIP

PROFESSIONAL MEMBERSHIP



ABMS-MY



CAREER JOURNEY



ALMA MATER



MANAGING & ADVISOR FOR:



PANEL / TECHNICAL COMMITTEE / CONTRIBUTOR / STEERING COMMITTEE

MS ISO 37001 ABMS CONSULTATION MODULE (IIM)

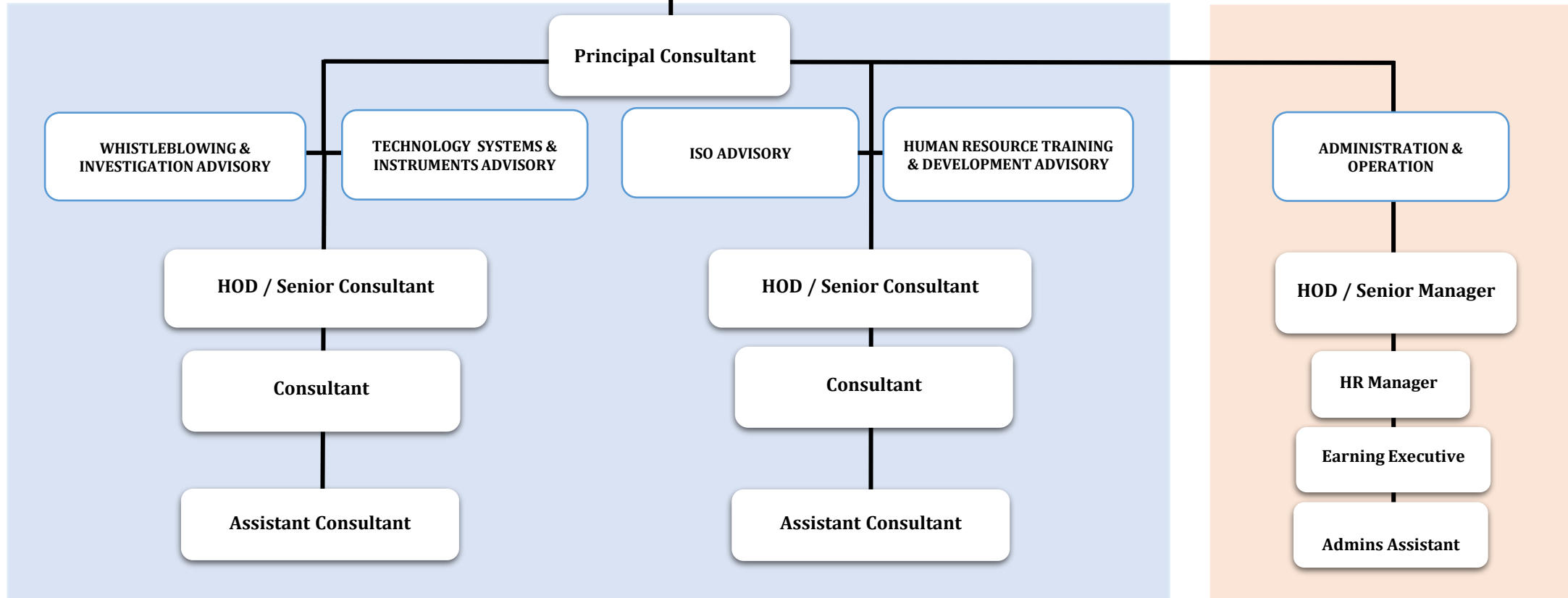
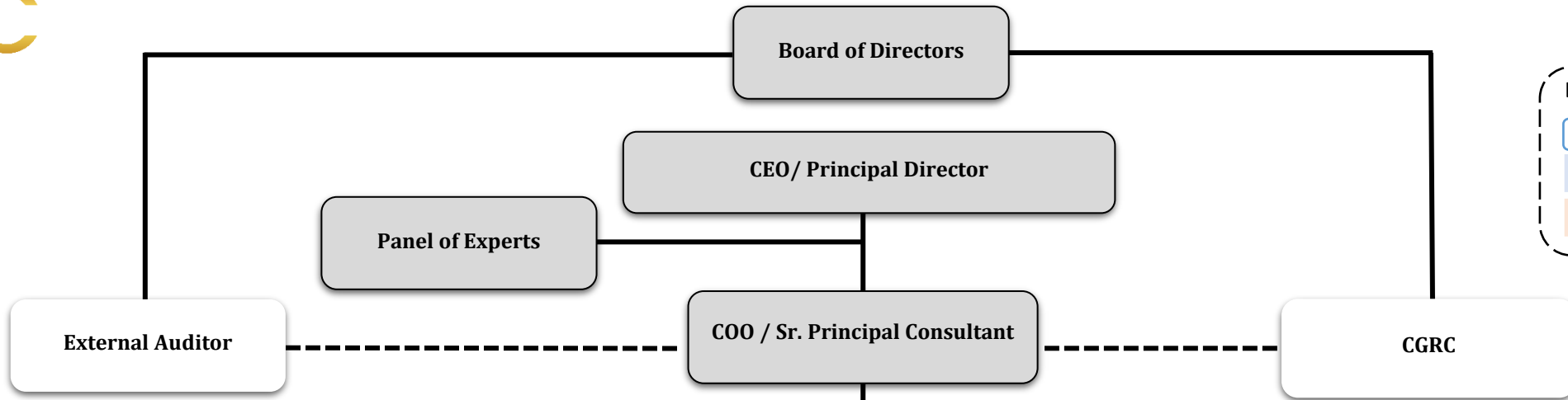
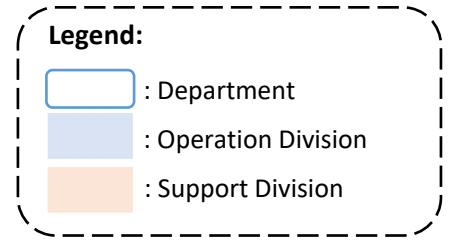
MS CORRUPTION RISK MANAGEMENT (DSM)

ISO 37001 REVISION (MALAYSIA)

ISO 37008 INTERNAL INVESTIGATION (MALAYSIA)

SECTION 17A TRAINING SPEAKER (ILKAP)





**VALUED
CLIENTS**



**VALUED
CLIENTS**





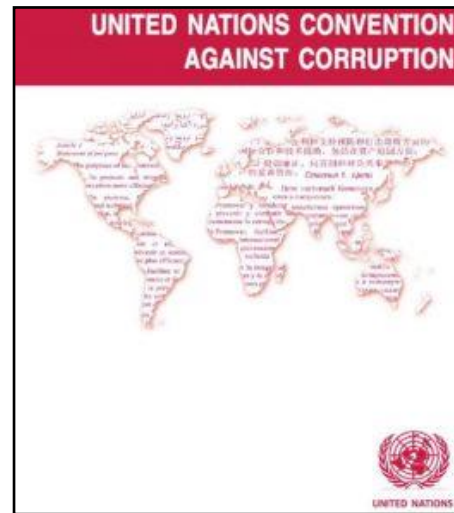
Session 1

ESTABLISHING CONTEXT OF CRA FROM THE EYE OF UNODC, CPTPP, UKBA, FCPA & ISO

INTERNATIONAL RESPONSIBILITY

United Nations Convention Against Corruption (UNCAC) :

- Article 26 – Liability of Legal Persons.



Signatures, ratifications, and entry into force

It was signed by 140 countries. As of December 2021, there are 189 parties, which includes 184 UN member states, the Cook Islands, Niue, the Holy See, the State of Palestine, and the European Union.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) :

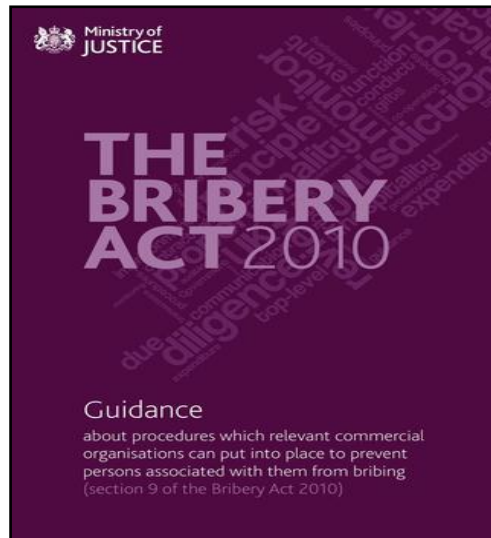
- Chapter 26 – Transparency & Anti-Corruption.



REFERENCE

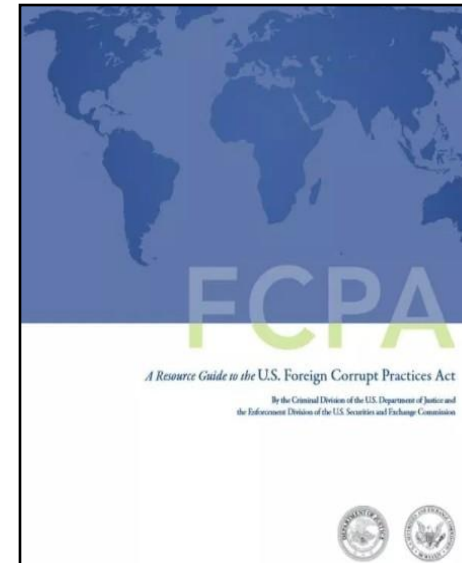
UK Bribery Act 2010 :

- Section 7 – Failure of Commercial Organizations to Prevent Bribery.



Foreign Corrupt Practices Act of 1997 (FCPA) :

- 15 U.S. Code § 78dd–1. – Prohibited Foreign Trade Practices by Issuers.



Organization for Economic Co-Operation & Development (OECD)

26/11/2021 - The OECD Anti-Bribery Convention establishes legally binding standards to;

- a) criminalize bribery of foreign public officials in international business transactions, and
- b) provides for a host of related measures to make this effective.

About the Recommendation

- **Promote a holistic approach to fighting foreign bribery** through new measures to enhance awareness-raising and training of, as well as detection by, key government agencies, including foreign representations, financial intelligence units, tax authorities and official development assistance agencies.
- **Strengthen enforcement of foreign bribery laws**, including through proactive detection and investigation of foreign bribery, more effective international co-operation among law enforcement authorities and co-operation in multi-jurisdictional cases.
- **Address the demand side of foreign bribery cases by calling on countries** to address the solicitation and acceptance of bribes and better support companies facing bribe solicitation risks.
- **Introduce provisions** on the key principles and features of non-trial resolutions.
- **Include extensive provisions to ensure comprehensive and effective protection of whistleblowers** in the public and private sectors.
- **Encourage countries to incentivize enterprises to develop internal controls, ethics and compliance programs** or measures to prevent and detect foreign bribery.

In line with the UN Convention against Corruption (UNCAC), the work of UNODC on business integrity aims to;

- Encourage countries **to advance legislative reforms** to prevent and counter corruption
- **Increase governments' knowledge of legal frameworks** and practices to prevent and counter corruption in and with the private sectors
- **Improve communication among public sectors, private sectors, civil society and academia** by providing a common venue for interaction, dialogue and knowledge-sharing
- **Provide guidance to companies and SMEs** on adopting or implementing anti-corruption systems
- **Equip future business leaders with ethical mindsets** at the start of their careers in the private sectors



UNODC – Malaysia : Liability of Legal Person for Section 17A Presentation representing ABMS-Malaysia Association

An aerial photograph of the Kuala Lumpur skyline at sunset. The Petronas Twin Towers are the central focus, with their distinctive spires and skybridge. To the left is the Suria KLCC shopping mall. The city is densely packed with various high-rise buildings, and the sky is filled with soft, golden light and scattered clouds. The overall scene conveys a sense of a modern, bustling urban environment.

Session 2

COMPREHENDING THE ISO 31000 PROCESS & THE EFFECT ON CRA DEVELOPMENT

MURPHY'S LAW

*Anything that can go wrong
will go wrong.*

What is Risk?

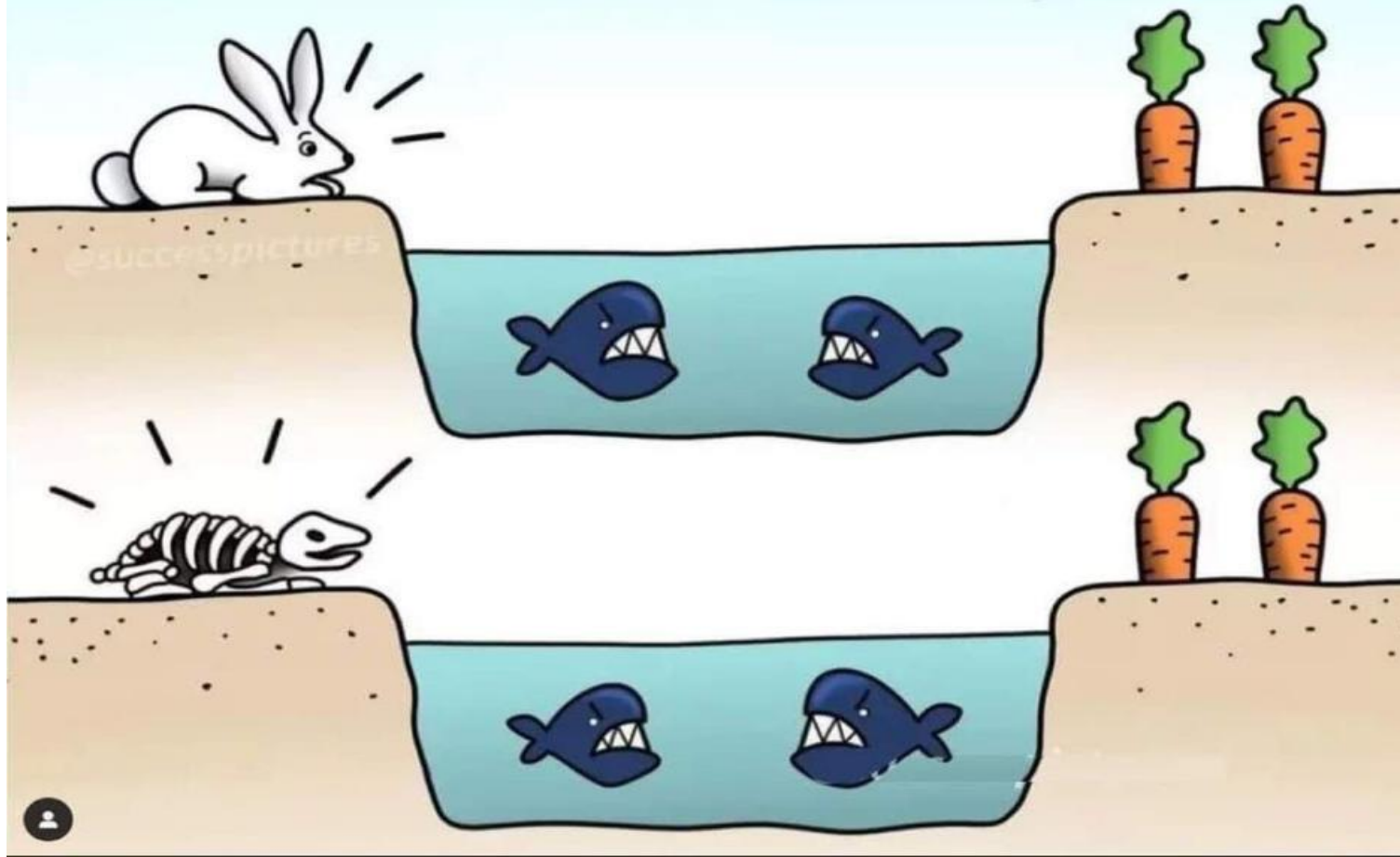
Risk is the effect of uncertainty on objectives

Source: ISO/IEC Guide 73: 2010

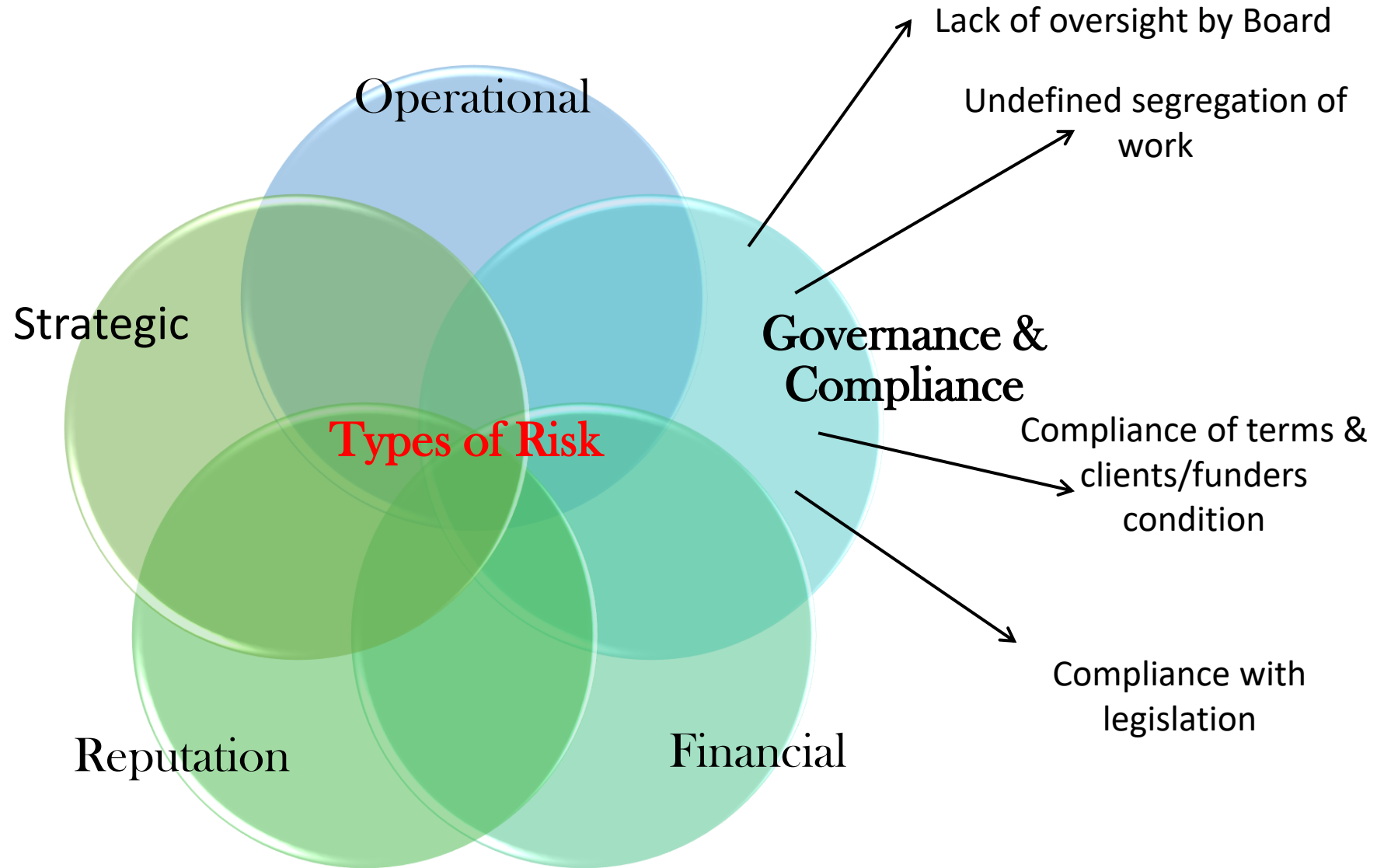
Risk = Probability x Consequence

Source: Institute of Internal Audit

TAKE THE RISK OR LOSE THE CHANCE

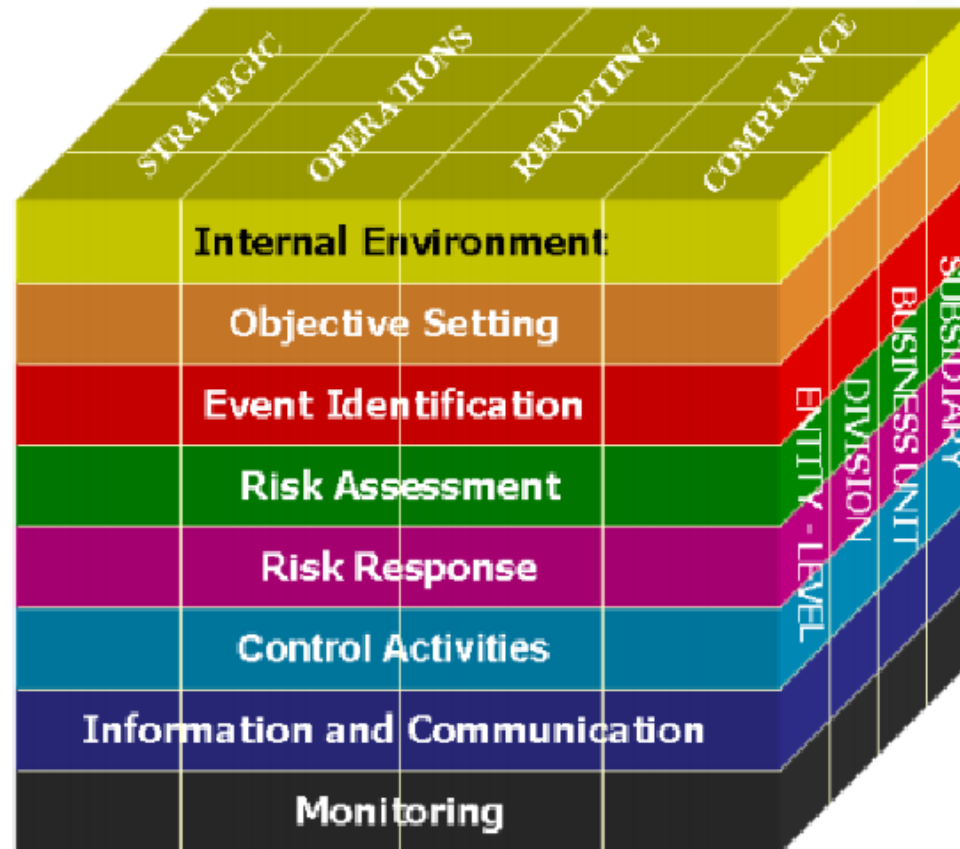


Enterprise Risk Management



COSO ERM Framework

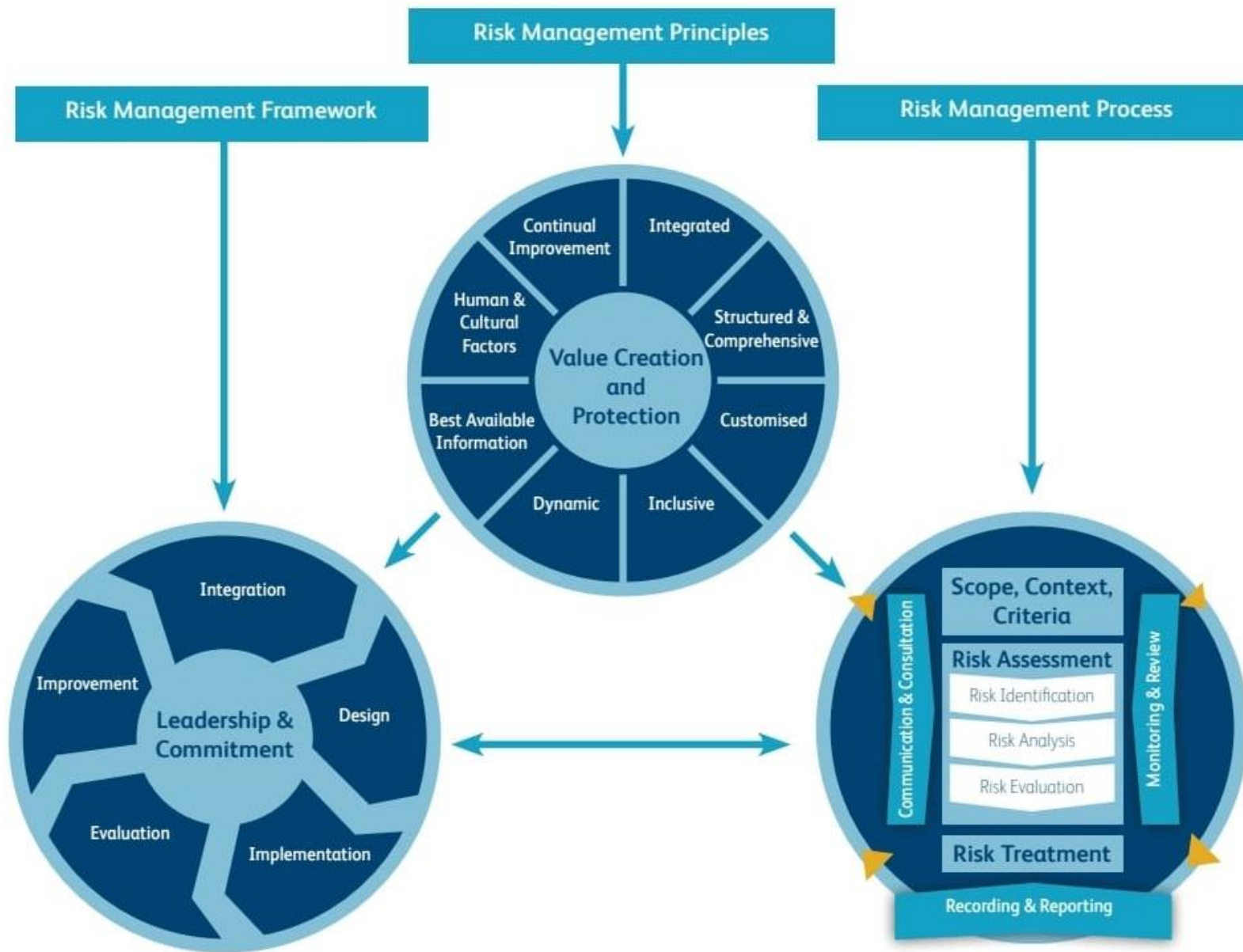
Internal Environment	<ul style="list-style-type: none"> •What is the internal philosophy and culture?
Objective Setting	<ul style="list-style-type: none"> •What are we trying to accomplish?
Event Identification	<ul style="list-style-type: none"> •What could stop us from accomplishing it?
Risk Assessment	<ul style="list-style-type: none"> •How bad are these events? •Will they really happen?
Risk Response	<ul style="list-style-type: none"> •What are our options to stop those things from happening?
Control Activities	<ul style="list-style-type: none"> •How do we make sure they don't happen?
Information and Communication	<ul style="list-style-type: none"> •How [and from/with whom] will we obtain information and communicate?
Monitoring	<ul style="list-style-type: none"> •How will we know that we've achieved what we wanted to accomplish?



Source: Committee of Sponsoring Organizations of the Treadway Commission www.coso.org.

ISO 31000:2018 FRAMEWORK, PRINCIPLES & PROCESS





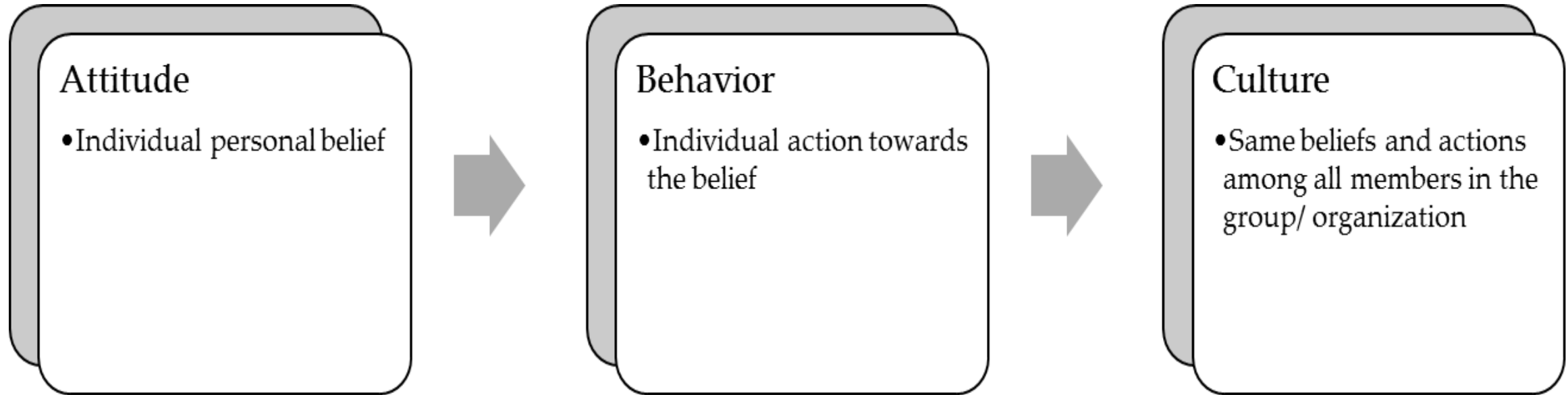
Principles, framework and risk management process from ISO 31000

Guidance provided in ISO 31000 – Process

- The section of ISO 31000 concerned **with the risk management process describes risk assessment and risk treatment as being at the centre of the risk management process.**
- This section also includes guidance on
 - (1) scope, context and criteria;
 - (2) communication and consultation;
 - (3) monitoring and review; and
 - (4) recording and reporting.



Building Risk Culture



ATTACHMENTS

for Risk Management Key Terms

Risk Register or Risk Log

OBJECTIVE:

Key Activities	Risk	Risk Source	Risk Owner	Risk Category	Gross Risk			Existing Control	Residual Risk		Mitigation / Action
					L	C	R		CE	R	

EXAMPLE

RISK APPETITE VS. RISK TOLERANCE

APPETITE

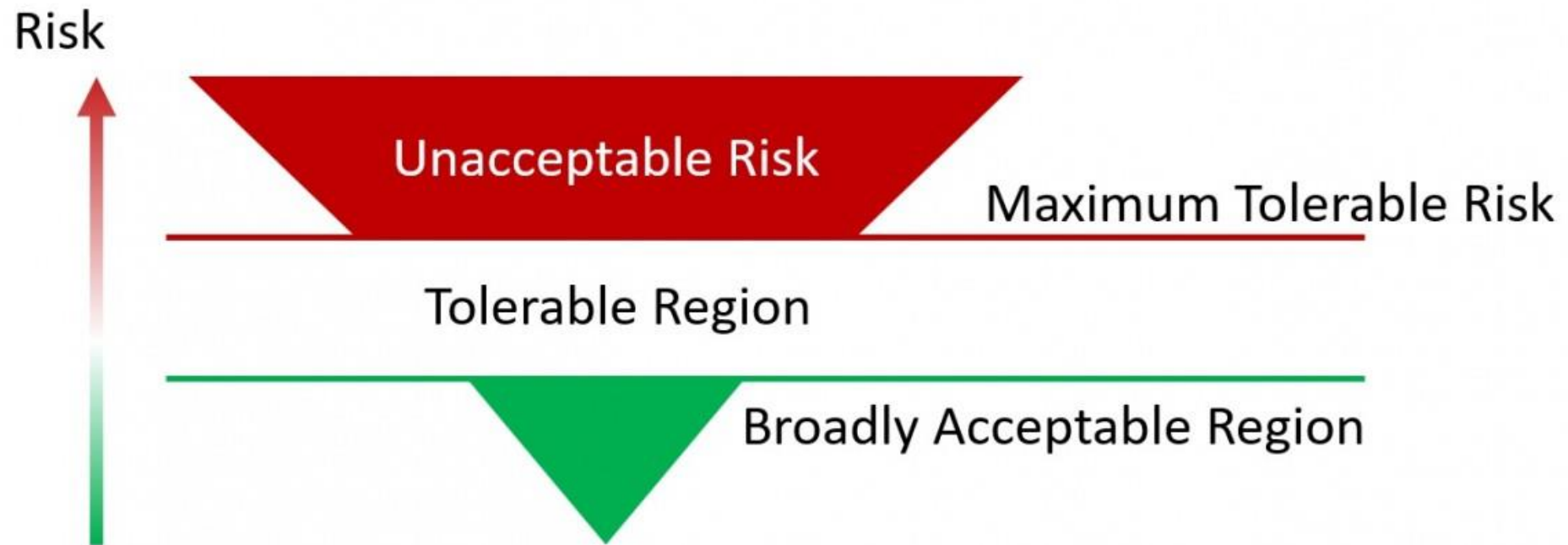
Appetite Ordinary
Meaning according to
Oxford Dictionary: (1) "a
natural desire to satisfy
bodily need, especially for
food e.g. he has a healthy
appetite" (2) a strong
desire or liking of
something e.g. "her
appetite for life"

TOLERANCE

Tolerance Ordinary
Meaning according to
Oxford Dictionary: (1) "the
ability or willingness to
tolerate the existence of
opinions or behaviour that
one dislikes or disagrees
with" e.g. "the tolerance
for corruption" (2) "the
capacity to endure
continued subjection to
something such as a drug
or environmental
conditions without
adverse reaction" e.g.
"the desert camel shows
the greatest tolerance to
dehydration"



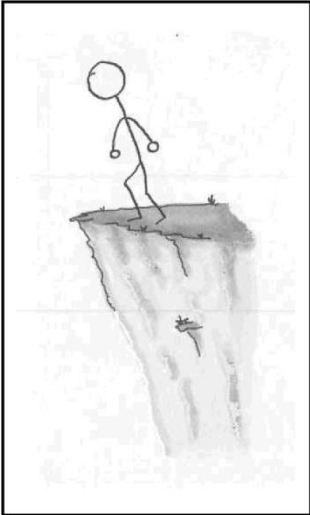
Risk Tolerance



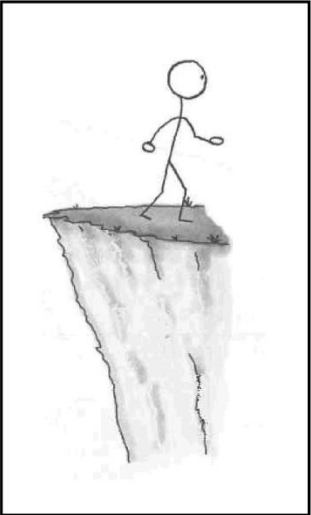
Types of Risk Treatment

- Negative Risks (or Threats)
 - Avoid
 - Reduce
 - Transfer
 - Mitigate
 - Acceptance
- Positive Risks (or Opportunities)
 - Exploit
 - Share
 - Enhance
 - Acceptance

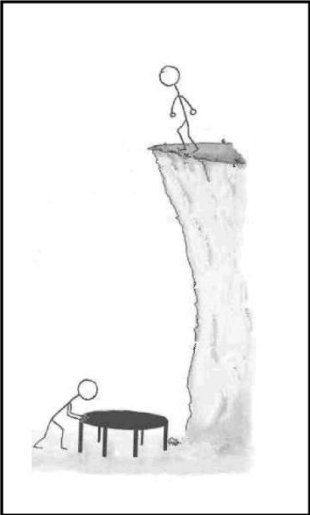
Reflection



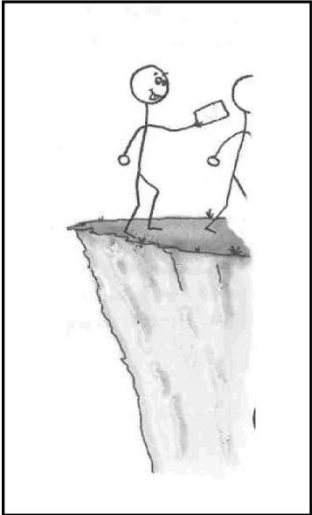
Your project



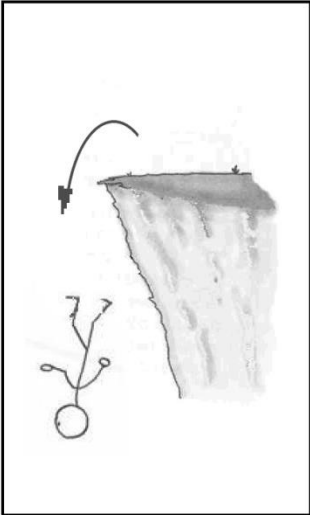
Avoid



Mitigate



Transfer



Accept

RISK MANAGEMENT AND CORPORATE GOVERNANCE

The Malaysian Code of Corporate Governance (MCCG) 2017 was published by Securities Commission Malaysia

What is Corporate Governance?

Process and structure to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realizing **shareholder value** while taking into account the **interest of other stakeholders**

What are the Principles of MCCG?

- ✓ Board Leadership and Effectiveness
- ✓ Effective Audit and **Risk Management**
- ✓ Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders & Shareholders

***Impact on
Corruption Risk Assessment***

Risk Categories

Corruption Risks

Financial Risks

- Associated with the Group's financial and accounting policies, cash management, rules & regulations, and potential losses from business transactions.

Strategic Risks

- Involve issues of significant sensitivity, issues that are not easy to address because they cannot be directly controlled or influenced. Strategic Risks are the potential loss arising from a poor strategic business decision.

Operational Risks

- Arise from business disruptions, processes, use of physical assets, human resources, IT infrastructure and environmental and hazard.

Legal Risks

- Arising from the uncertainty of legal commitments, requirements and proceedings.

Global Risks

- a "global risk" is an uncertain event or condition that, if it occurs, can cause significant negative impact for several countries or industries within the next 10 years.



RISK TREATMENT

FOR CORRUPTION RISK ASSESSMENT (CRA)

Clause 6.1 – Risk Treatment

6.1 Actions to address risks and opportunities ***When planning for the anti-bribery management system, the organization shall consider the issues referred to in 4.1, the requirements referred to in 4.2, the risks identified in 4.5,*** and opportunities for improvement that need to be addressed to:

- a) give reasonable assurance that the anti-bribery management system can achieve its objectives;
- b) prevent, or reduce, undesired effects relevant to the anti-bribery policy and objectives;
- c) monitor the effectiveness of the anti-bribery management system;
- d) achieve continual improvement.

The organization shall plan: – actions to address these bribery risks and opportunities for improvement;

how to:

- integrate and implement these actions into its anti-bribery management system processes;
- evaluate the effectiveness of these actions.

6.2 Anti-bribery objectives and planning to achieve them

The organization shall establish anti-bribery management system objectives at relevant functions and levels. The anti-bribery management system objectives shall:

- a) be consistent with the anti-bribery policy;
- b) be measurable (if practicable);
- c) take into account
 - i) applicable factors referred to in 4.1,**
 - ii) the requirements referred to in 4.2; and,**
 - iii) the bribery risks identified in 4.5;**
- d) be achievable;
- e) be monitored;
- f) be communicated in accordance with 7.4;
- g) be updated as appropriate.

The organization shall retain documented information on the anti-bribery management system objectives. When planning how to achieve its anti-bribery management system objectives, the organization shall determine:

- what will be done;
- what resources will be required;
- who will be responsible;
- when the objectives will be achieved;
- how the results will be evaluated and reported;
- who will impose sanctions or penalties.

TERMS IN RISK TREATMENT

Define, Identify and Picking best treatment

- Accept
- Retain
- Reduce
- Modify
- Terminate
- Avoid
- ~~Transfer~~



Treatment Process

Risk Treatment Options

	Risk Treatment	Description
1.	Terminate	<p>A risk associated with the activities resides within a business process. Thus, to terminate a corruption risk is by terminating the business activity.</p> <p>This option is considered limited as a majority of business processes are required for operating an organisation/enterprise.</p>
2.	Reduce	<p>For residual corruption risks which are rated as "HIGH" and "SIGNIFICANT", the management can choose to reduce the risk rating to "MODERATE" or "LOW".</p> <p>There are two ways to reduce the residual risk rating:</p> <p>2.1 Introduce additional controls, as the existing controls are inadequate; and/ or,</p> <p>2.2 Enhance the effectiveness of the existing controls by considering one or more of the following:</p> <ul style="list-style-type: none"> i. Training; ii. Communication; iii. Monitoring; iv. Competency; and/or v. Enforcement.
3.	Accept	<p>For corruption risks that are ranked "MODERATE" and "LOW" and that are considered as risks that fall within the risk appetite of the organisation, the management can choose to accept the risk. Once accepted, no further risk action plan needed.</p> <p>Management may choose to implement additional risk mitigation controls if it believes the cost-benefit analysis shows an advantage, but this is not essential.</p> <p>After accepting the risks, management will still need to continuously monitor the effectiveness of the internal controls to ensure that the internal controls are satisfactory at all times.</p>

Note:

The risk treatment option to "Pass-on" or "Transfer" a risk as commonly practised in Enterprise Risk Management ("ERM") is not applicable to corruption risks. This is because a corruption risk is legally a criminal offence. For example, the strategy to pass-on or transfer the impact of corruption risk by using insurance is not viable, because the insurance coverage does not include criminal offences.

As stated in Guideline by GIACC, JPM

527 Risk-sharing (Transfer or Pass On) should not be considered as an option for treating corruption risk as
 528 it can involve transferring the corruption risk to third-party intermediaries, which defeats the purpose
 529 of addressing the objectives.

As stated in Guideline by MS CRM 2764, JSM

HDC CRA Risk Treatment Indicator

Risk Treatment	
Indicator	Principle of Application
Accept	only apply for 'Low'
Reduce	only apply to the elements that 'pose more than low bribery' (moderate, significant or high)
Terms	Descriptions
Accept	the management will still need to continuously monitor the existing control effectiveness as the control is acceptable to maintain the potential risk.
Reduce	the management have two ways to reduce the potential risk; i) to introduce additional controls as the existing controls are inadequate. ii) enhance the effectiveness of the existing controls by considering one or more of the following, eg. training, communication, upskill or reskill competency, enforcement

ABMS Action Plan
pursuant to Clause 6.1 & Clause 6.2

Action Plans & Opportunities – clause 6.1

5W2H METHOD

ORGANIZING YOUR ACTION PLANS

What will be done?

action, steps, description

Why will it be done?

justification, reason

Where will it be done?

location

When will it be done?

time, dates, deadlines

By whom will it be done?

responsibility for action

How will it be done?

method, process

How much will it cost to make?

cost or expenses involved



Session 3

- **UNDERSTANDING & ESTABLISHING CONTEXT OF CRA THROUGH LEGAL IMPERATIVE & INTEGRITY PERSPECTIVES**

Is **BRIBERY** equal to **CORRUPTION**?

Are they different?

What makes them different?



Is Bribery stated in UK Bribery Act similar to Bribery definition given by the MACC?

- **FCPA Section 30A(a)** – “offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value” to a foreign official.
- **UK Bribery Act (TI)** – “the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of money, gifts, loans, fees, rewards or other advantages (taxes, services, donations, favors etc.)”
- **ISO 37001** – “offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of the person’s duties.”

Is Bribery stated in UK Bribery Act similar to Bribery definition given by the MACC?

- MACC def;

Bribery = **Corruption** (but in a wider perspective)

Understanding Malaysia's ABAC Mandates



Malaysia's ABAC Framework

**MACC ACT
(AMMENDMENT) 2018**



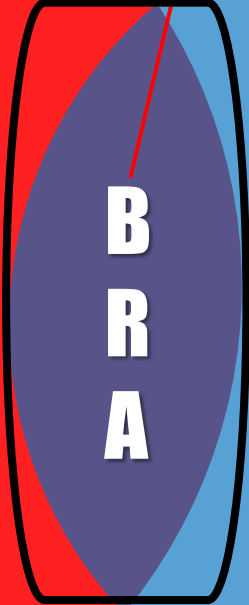
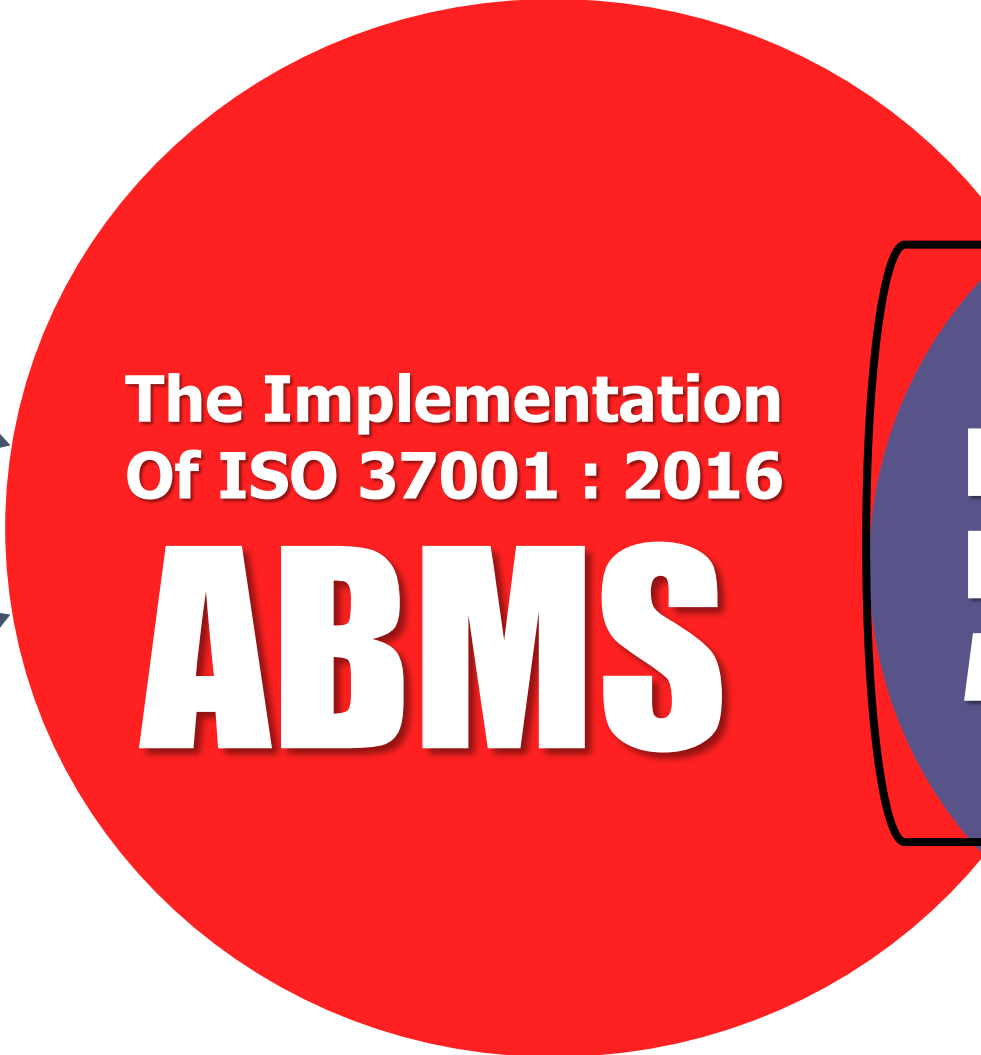
**The Ministerial
Guideline on
Adequate
Procedure**



**MS ISO
37001:2016 ABMS**



NACP



**Corruption Risk Assessment (CRA)
in Malaysia context**
MS 2764 - Corruption Risk Management - Guidelines

**B
R
A**

OACP

MANDATES

by law, guidelines and by govt policy

Mandates for Organization to Conduct Corruption Risk Assessment (CRA)

MS ISO 37001:2016 ABMS – 6.2.4 NACP



4.5.1 The organization shall undertake regular bribery risk assessment(s), which shall:

- identify the bribery risks the organization might reasonably anticipate, given the factors listed in 4.1;
- analyse, assess and prioritize the identified bribery risks;
- evaluate the suitability and effectiveness of the organization's existing controls to mitigate the assessed bribery risks.

7.2.2.2

- such personnel, top management, and the governing body (if any), file a declaration at reasonable intervals proportionate with the identified bribery risk, confirming their compliance with the anti-bribery policy.

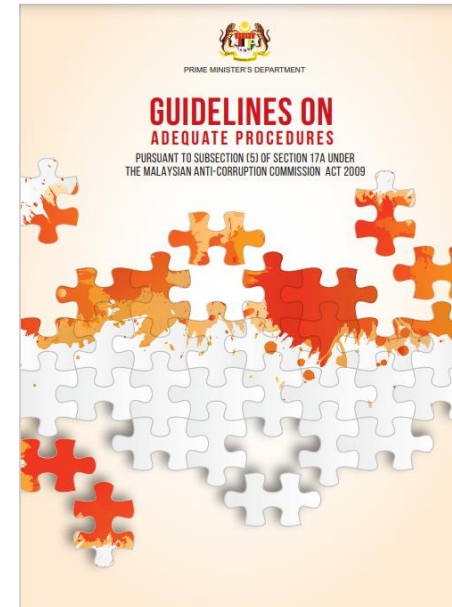
3.25

personnel

organization's (3.2) directors, officers, employees, temporary staff or workers, and volunteers

Note 1 to entry: Different types of personnel pose different types and degrees of bribery risk (3.12) and can be treated differently by the organization's bribery risk assessment and bribery risk management procedures.

The Ministerial Guideline on Adequate Procedure under MACC Act 2009 (Amendment) 2018

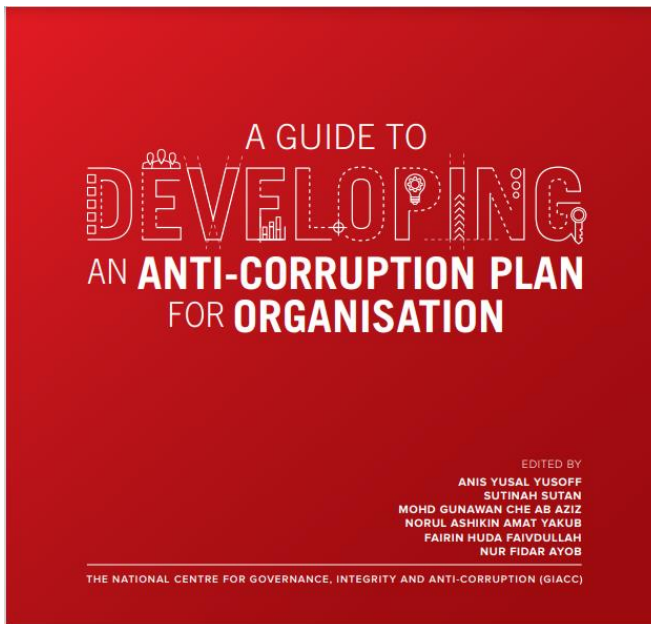


4.2 PRINCIPLE II: RISK ASSESSMENT

4.2.1 A corruption risk assessment should form the basis of an organisation's anti-corruption efforts. As such, the commercial organisation should conduct corruption risk assessments periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the organisation. This risk assessment should be used to establish appropriate processes, systems and controls approved by the top level management to mitigate the specific corruption risks the business is exposed to.

Mandates for Organization to Conduct Corruption Risk Assessment (CRA)

Guideline to Develop OACP and CRA by Governance, Integrity & Anti Corruption (GIACC)



“Organization shall conduct evaluations by considering internal and external risks of corruption in their respective agencies.”

Code of Ethics for Company Directors & Company Secretary – Corporate Liability Provision



(d) Corporate Liability

The development of adequate procedures¹ to be implemented to prevent the occurrence of corrupt practices in relation to the business activities of a company is vital.

In this regard, a director must ensure that the company have established an adequate procedure which can be used to reasonably protect both the company and top management from the liabilities arising from the section 17A of the Malaysian Anti-Corruption Commission Act (MACCA) 2009.

A director must ensure that the company –

- (i) practices the highest level of integrity and ethics;
- (ii) complies fully with the applicable laws and regulatory requirements on anti-corruption;
- (iii) effectively manages the key corruption risks of the organisation;
- (iv) puts in place the appropriate controls and contingency measures that are reasonable and proportionate to the nature and size of the organisation, in order to address any corruption risks arising from weaknesses in the organisation's governance framework, processes and procedures;
- (v) conducts corruption risk assessments periodically to identify, analyse, assess and prioritise the internal and external corruption risks of the organisation;
- (vi) provides employees and business associates² with adequate training to promote their understanding of the organisation's anti-corruption position, especially in relation to their role within or outside the commercial organisation² in the context of the company;
- (vii) conducts regular reviews to assess the performance, efficiency and effectiveness of the anti-corruption programme and ensure the programme is enforced; and
- (viii) ensures that the company's anti-corruption policy be made publicly available and should also be appropriately communicated to all employees and business associates.

4+2 offences & Section 17A stipulated in the **Malaysian Anti-Corruption Act 2009 (MACC Act 2009) (Act 694)**:

Solicit / Receive / Agrees to Receive Gratification (Individual Offence)

Sec. 16 (a) of MACC Act 2009

Gives / Promises / Offers Gratification (Individual Offence)

Sec. 16(b) of MACC Act 2009

Accept / Obtain / Agrees to Accept or Attempts to Obtain Gratification (Individual Offence - being an Agent)

Sec. 17(a) of MACC Act 2009

Gives / Agrees to give / Agrees to Offers Gratification (Individual Offence - to an Agent)

Sec. 17(b) of MACC Act 2009

Intending to Deceive

Sec. 18 MACC Act 2009

Using Office or Position / Abuse of Power or Position for Gratification

Sec. 23 MACC Act 2009

Duty to report bribery transactions

Sec. 25 MACC Act 2009

Abetment

Sec. 28 MACC Act 2009

Person Associated who Gives, Agrees to Give, Promise or Offer Gratification

Corporate Liability Provision - Sec. 17A of MACC Act 2009 (Amendment) 2018



Official Portal

MALAYSIAN ANTI-CORRUPTION COMMISSION

Independent • Transparent • Professional

Section 17A MACC (Amendment) Act 2018

17A (1) A commercial organization commits an offence if a person associated with the commercial organization corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent-

- (a) 'to obtain or retain business' for the commercial organization; or**
- (b) to obtain or retain an 'advantage in the conduct of business for the commercial organization'.**

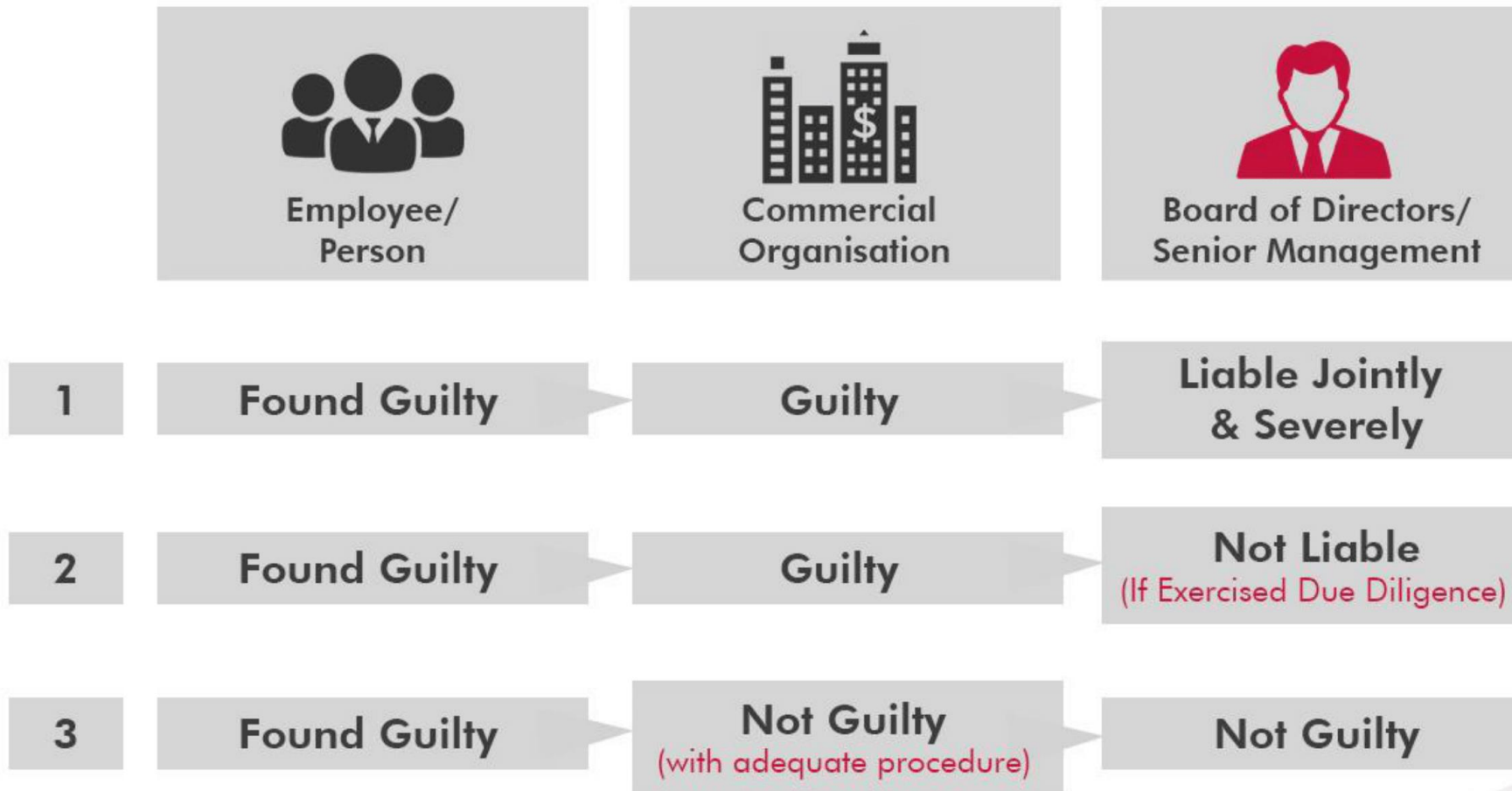
SECTION 17A *subsection (6)*

“Offence by commercial organization”

(6) For the purposes of this section, a **person is associated** with a commercial organization if he is

- i) a director, partner or;**
- ii) an employee of the commercial organization or;**
- iii) a person who performs services for or;**
- iv) acting on behalf of the commercial organization.**

WHO WILL BE GUILTY UNDER SECTION 17A OF THE MACC ACT 2009 ?



SECTION 17A OF THE MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009

WHO ARE LIABLE?



Partners



Director



Employees



Board of Directors /
Senior Management



Commercial
Organisation



Any person(s)
acting on behalf

! PENALTY !



≥ 10x bribe value OR RM1m
(whichever is higher)

Fine of not less than **10 times** the sum of value of the gratification or **RM1mil** whichever higher.



≤ 20yrs

'Check in' of MAXIMUM **20 years imprisonment**;



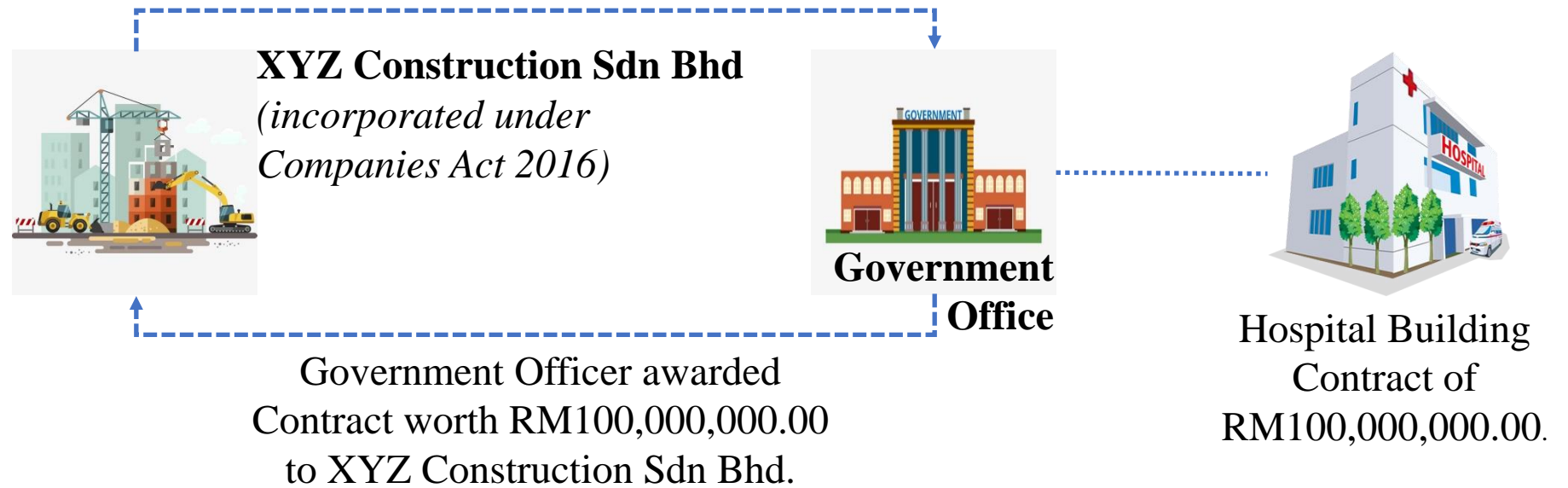
SCENARIO *under* SECTION 17A

1. **OFFENCE** has been committed by Manager.

XYZ Manager offered and gave RM5,000,000.00 to Government Officer.

3. BOD has **KNOWLEDGE** on the gratification payment.

4. BOD does not place and exercise **ADEQUATE PROCEDURES**.



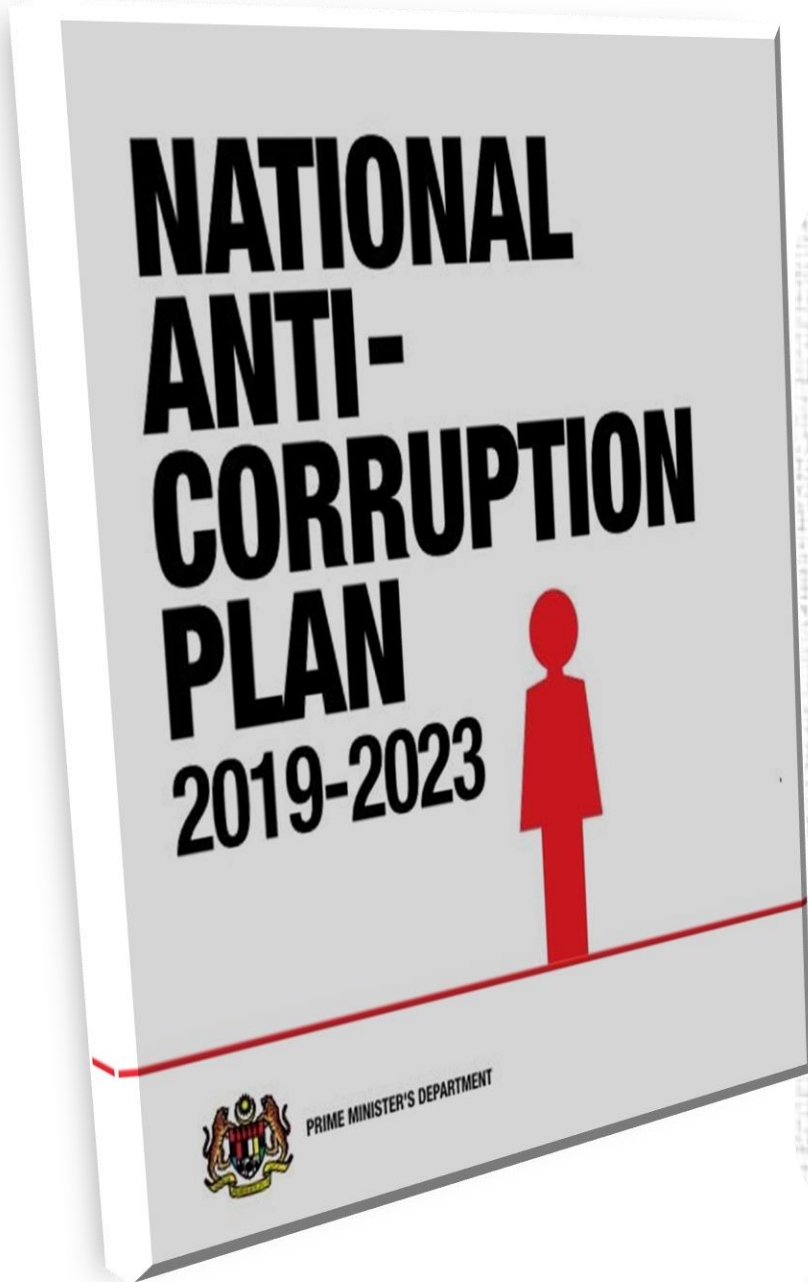
2. **BENEFIT** has been obtained by Company.

Company and/or Person(s) Associated can be investigated and prosecuted under Section 17A.

Mandate
by the Government Policy

PELAN ANTIRASUAH NASIONAL (NACP) (2019-2023)

... adalah refleksi
aspirasi dan harapan
rakyat Malaysia
dalam perjalanan
memerangi rasuah



MEMECAH RANTAIAN RASUAH

Break the Corruption Chain



EPISOD PENCEGAHAN RASUAH DI MALAYSIA

2004
Pelan Integriti Nasional (PIN)

2010
Program Transformasi
Kerajaan (GTP) 1.0

2012
Program Transformasi
Kerajaan (GTP) 2.0

2019-2023
Pelan Antirasuah
Nasional (NACP)

Antara tahun 2005 hingga 2014,
Malaysia telah kehilangan
RM1.8 trillion menerusi aliran
kewangan tidak sah yang mana
sebahagian daripadanya berpunca
daripada amalan rasuah.

SUMBER: Global Financial Integrity Report 2017

SEKTOR YANG PALING TERDEDAH KEPADA RASUAH

63.30%
Aduan rasuah diterima melibatkan
Sektor awam

SUMBER: Suruhanjaya Pencegahan Rasuah Malaysia (SPRM)

US\$1.26 trillion per year

Corruption, bribery, theft and tax evasion cost developing countries

SUMBER:

<https://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-16-peace-justice-and-strong-institutions.html>

 SUSTAINABLE
DEVELOPMENT **GOALS**

17 GOALS TO TRANSFORM OUR WORLD



UN
DP



Goal 16:
Peace,
Justice &
Strong
Institutions

NACP Framework

6 PRIORITY AREAS	Political Governance	Public Sector Administra- tion	Public Procurement	Legal and Judicial	Law Enforcement	Corporate Governance
6 STRATEGIES	Strengthen- ing Political Integrity and Accountabi- lity	Strengthening the Effectiveness of Public Service Delivery	Increasing the Efficiency and Transparency in Public Procurement	Enhancing the Credibility of Legal and Judicial System	Institutiona- lizing the Credibility of Law Enforcement Agencies	Inculcating Good Governance in Corporate Entity
115 INITIATIVES	35	31	16	6	17	10

Mandate from the GOV

IIP/IPA
CRM
OACP
ABMS

PELAN ANTIRASUAH NASIONAL 2019-2023



GOVERNMENT SECTORS

CRA

STRATEGIC OBJECTIVE 2.1

REDESIGNING OF PUBLIC SERVICES TOWARDS GOOD GOVERNANCE

Initiative 2.1.3

To introduce Anti-Bribery Management System (ABMS) MS ISO 37001 certification in all Government agencies

STRATEGIC OBJECTIVE 2.1:

REDESIGNING OF PUBLIC SERVICES TOWARDS GOOD GOVERNANCE

Initiative 2.1.5

To oblige the public sector to develop Organizational Anti-Corruption Plan (OACP)

CRA

STRATEGIC OBJECTIVE 2.2

PROMOTING MERIT AND INTEGRITY IN THE PROCESS OF RECRUITMENT, SELECTION AND APPOINTMENT TO POSITIONS

Initiative 2.2.7

To revisit and strengthen the current process of integrity vetting for Public Official holding positions with high risk/ responsibility

Mandate from the GOV

IIP/IPA
CRA
OACP
ABMS

PELAN ANTIRASUAH NASIONAL 2019-2023



PRIVATE SECTORS

STRATEGIC OBJECTIVE 6.2

GREATER CORPORATE ENTITIES RESILIENCE AGAINST THE THREAT OF CORRUPTION

Initiative 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 Organizational Anti-Corruption Plan (OACP)

STRATEGIC OBJECTIVE 6.2:

GREATER CORPORATE ENTITIES RESILIENCE AGAINST THE THREAT OF CORRUPTION

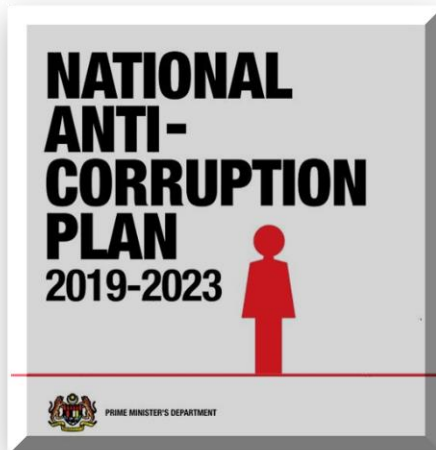
Initiative 6.2.4

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

CRA

IIP/IPA

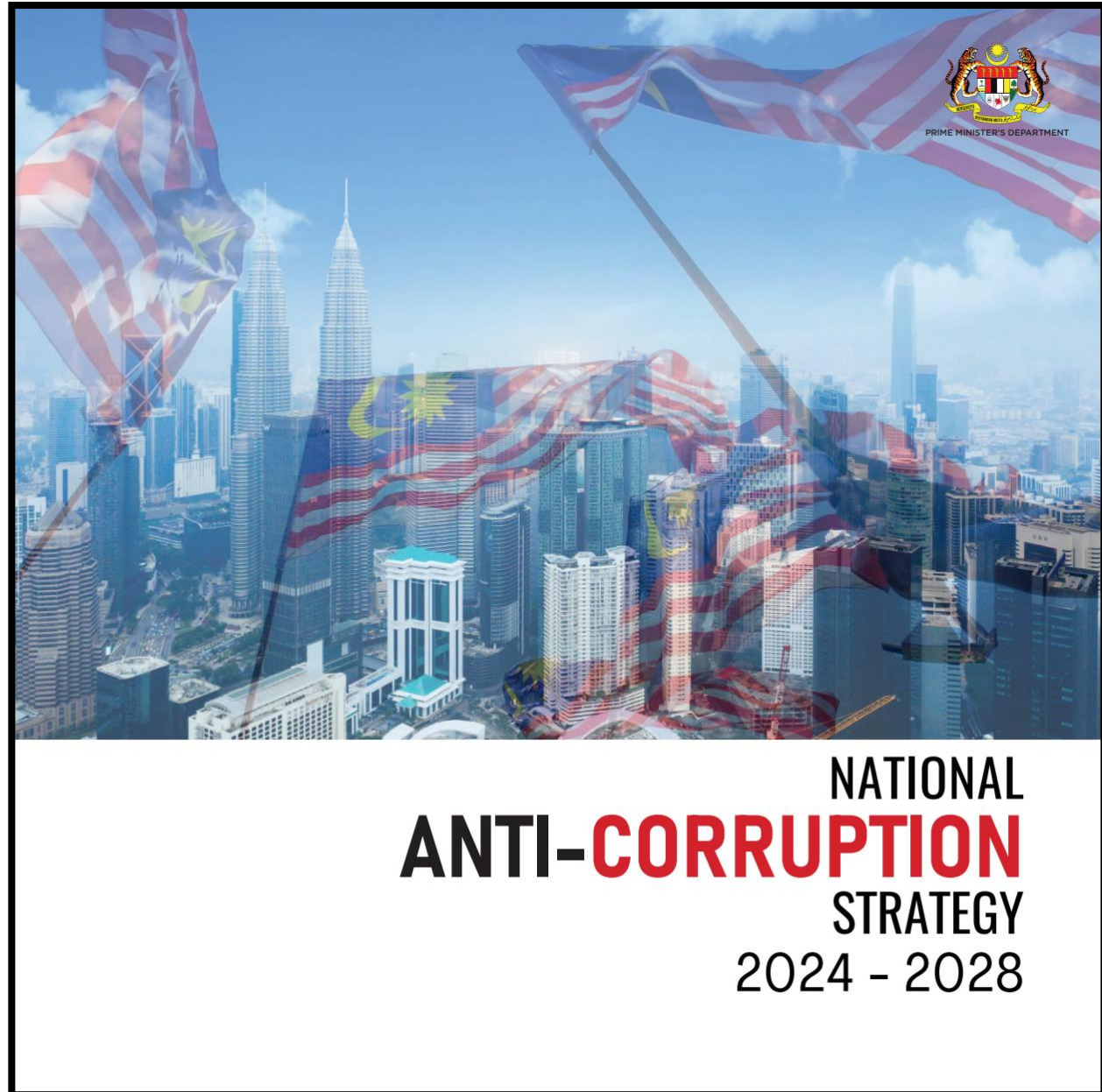
Organizational Anti-Corruption Plan (OACP)



Development of OACP

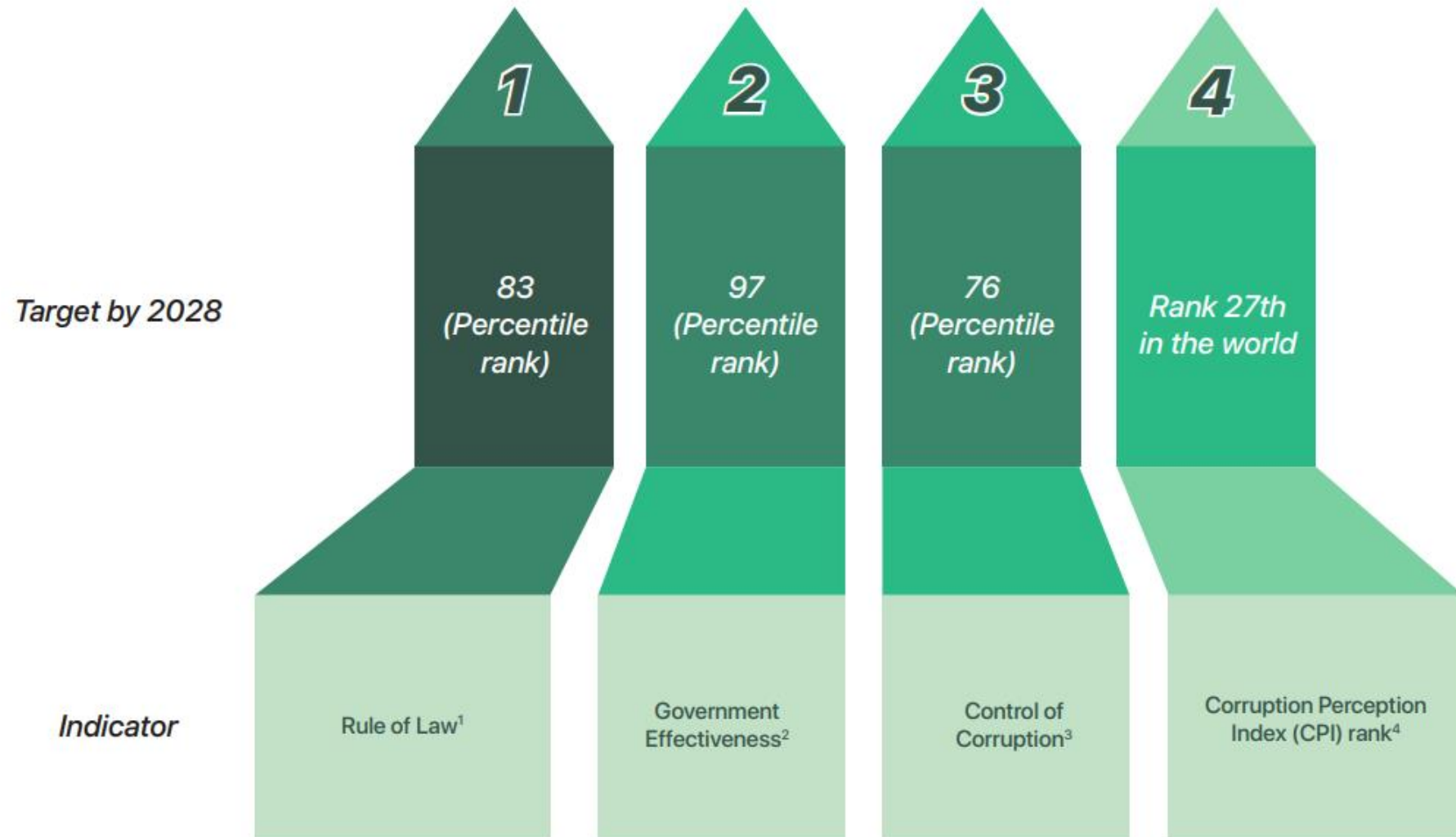
- i) Setting Goal
- ii) Prioritize Areas
- iii) Strategic Objectives
- iv) Development of Attainable/Measurable Objectives

New Strategy by Govt



Targets

In order to achieve the Vision and Mission as stated in the NACS, four (4) specific targets have been identified.

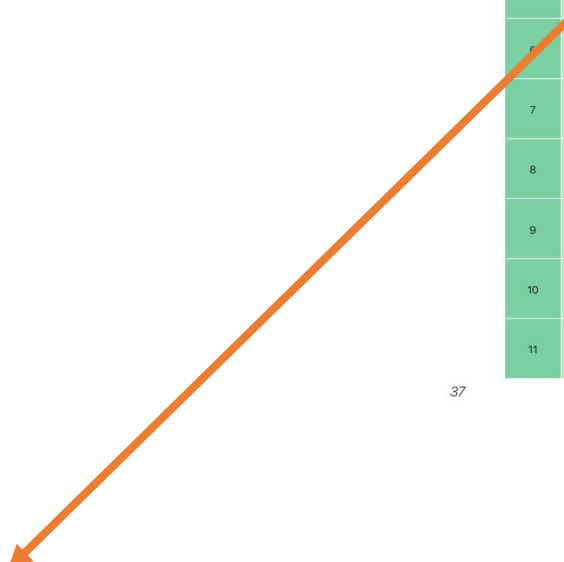


NACS, Strategy 2

Strategy 2: Public Accountability

No.	Substrategy	Period	Lead Agency	Supporting Agency
1	To introduce the Public Procurement Act.	Medium	Ministry of Finance	Attorney General Chambers
2	To relook requirements in the appointment and the dismissal of the MACC Chief Commissioner and the establishment of MACC Service Commission.	Long	Malaysian Anti-Corruption Commission	1. Legal Affairs Division 2. Attorney General Chambers
3	To enhance screening system in hiring public servants.	Medium	Malaysia Office of the Chief Government Security Officer	1. Public Service Department 2. Malaysian Anti-Corruption Commission 3. Police Service Commission 4. Education Service Commission
4	To conduct study on the feasibility in enacting Governance Bill.	Long	Malaysian Anti-Corruption Commission	Attorney General Chambers
5	To propose Anti-Bribery Management System (ABMS) MS ISO 37001 certification as a requirement for companies in order to bid for Government contracts at procurement value of RM10 million and above.	Short	Ministry of Finance	1. Department of Standards Malaysia 2. Malaysian Anti-Corruption Commission
6	To implement an integrated procurement system taking into account emerging technology that provide a digital financial platform, artificial intelligence, cloud computing and end to end process.	Short	Ministry of Finance	
7	To revive the Parliamentary Service Act.	Short	Legal Affairs Division	Parliament of Malaysia
8	To amend the Parliamentary Privileges and Powers Act 1952 [Act 347] by incorporating a code of ethics for Members of Parliament.	Long	Legal Affairs Division	Parliament of Malaysia
9	To standardise enforcement actions and compounds among maritime agencies in the country to ensure that the actions taken are appropriate.	Medium	Ministry of Transport	1. Marine Department Malaysia 2. Malaysian Maritime Enforcement Agency 3. Marine Police Force
10	To set the implementation of duty rotation in corruption high risk sectors as Key Performance Indicator (KPI) of the Head of Departments.	Medium	Public Service Department	Malaysian Anti-Corruption Commission
11	To introduce a single identification document for foreign students in order to avoid abuse of power by enforcement agencies.	Short	Ministry of Home Affairs	Ministry of Higher Education

37



5	To propose Anti-Bribery Management System (ABMS) MS ISO 37001 certification as a requirement for companies in order to bid for Government contracts at procurement value of RM10 million and above.	Short	Ministry of Finance	1. Department of Standards Malaysia 2. Malaysian Anti-Corruption Commission
---	---	-------	---------------------	--

New Strategy for Corporate Organization by NACS

5	To propose Anti-Bribery Management System (ABMS) MS ISO 37001 certification as a requirement for companies in order to bid for Government contracts at procurement value of RM10 million and above.
---	---

Lead Agencies

Ministry of Finance	<ol style="list-style-type: none">1. Department of Standards Malaysia2. Malaysian Anti-Corruption Commission
---------------------	---

REQUIREMENTS

**for CRA Development pursuant to MS ISO 37001
ABMS**

Establishing Context

SET 1 – Awareness on Integrity & Corruption Elements

Basically, we ask:

- What does **INTEGRITY** mean for the organization?
- How does the organization **DEMONSTRATE INTEGRITY**?
- Where are the priority areas in **CORRUPTION PREVENTION**?
- Understanding Corruption bylaws
- Understanding **CORRUPTION RISK PARAMETERS, APPETITE, TOLERANCE**

SET 2 – Understanding the Internal & External of Organization

Basically, we:

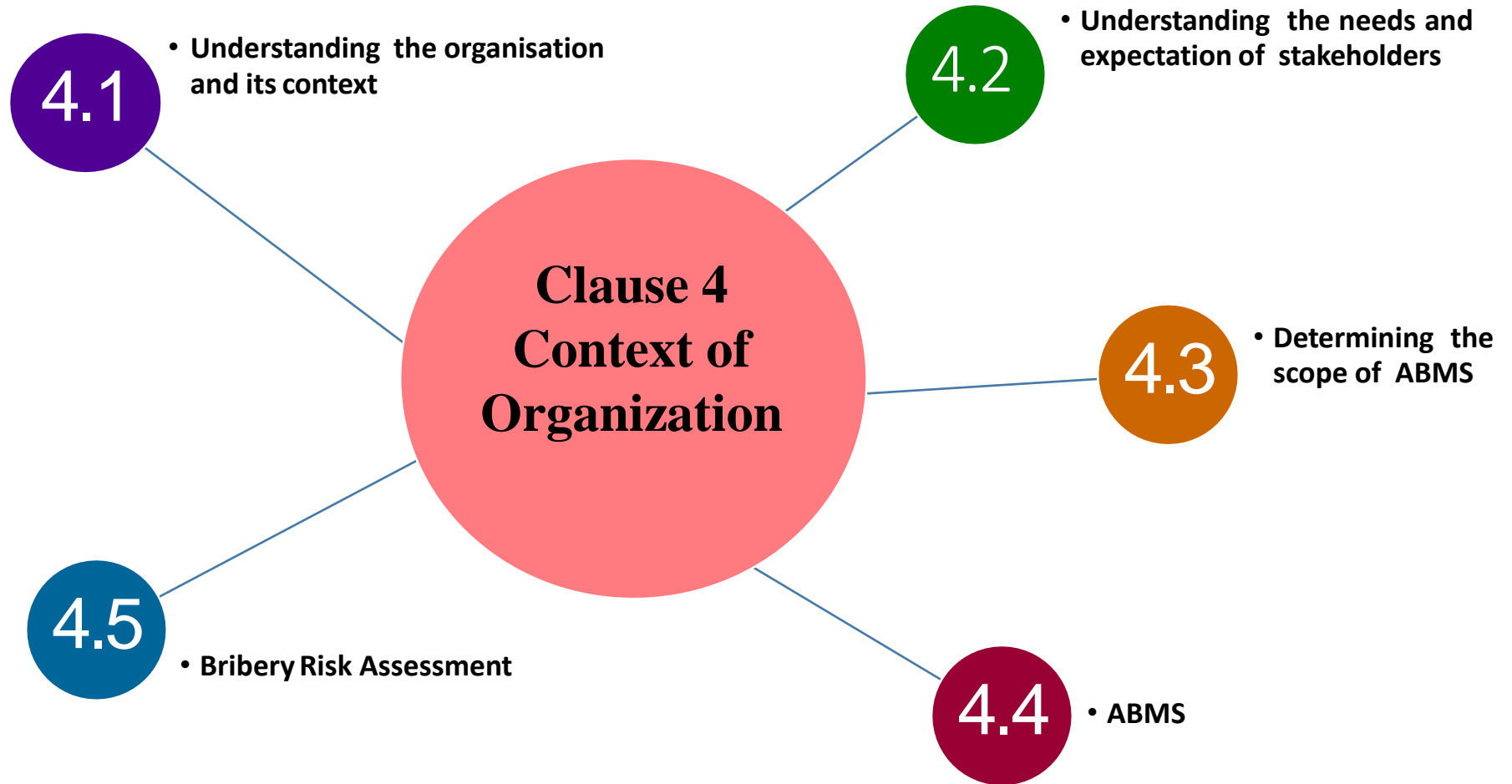
- Understanding Risk Management Framework
- Legal Requirements & related laws
- Identify & Understand Risk-based
 - Clause 4.1
 - Clause 4.2
 - Clause 4.5
- Understand historical background regards to corruption/bribery of your organization
 - any event/crises
 - Potential risks
 - Related risk (external relation - BA)

Developing CRA – mandate : clause 5.3.1 & clause 7.2.2.2



High Risk Areas:

- ✓ **Procurement**
- ✓ **Development Projects**
- ✓ **Research activities**
- ✓ **Investment**
- ✓ **Revenue Collection**
- ✓ **Asset/Store Management**
- ✓ **Subsidies Management**
- ✓ **Human Resource**
- ✓ **Business Associates**
- ✓ **IT (two alphabets with thousand numbers 😊)**



4.1 Understanding The Organization And Its Context

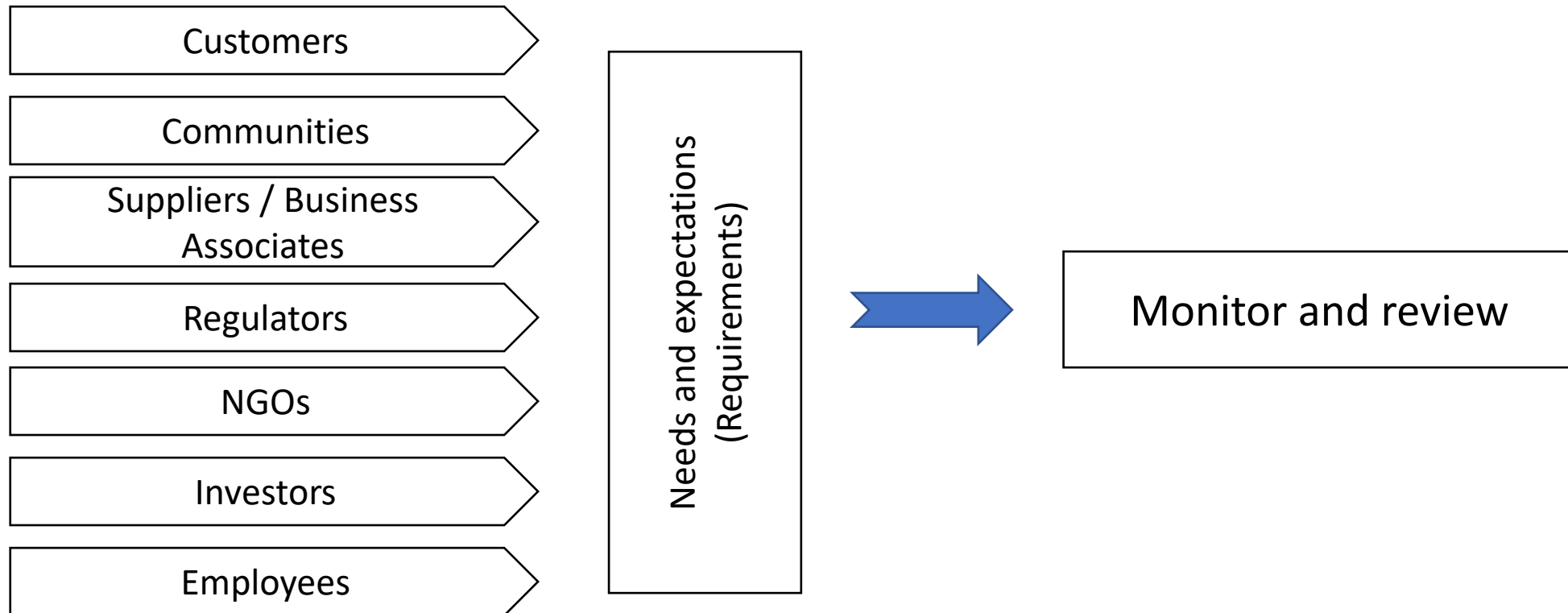
The organization shall determine **external and internal issues** that are relevant to its purpose and that effect its ability to achieve the objectives of ABMS. These issues will include, without limitation, the following factors:

- a) The size, structure and delegated-decision making
- b) The location and sector
- c) The nature, scale and complexity
- d) The organization's business model
- e) The entity over which the organization has control or entities which exercise control over organization.
- f) The organization's business associate
- g) The nature and extent of interactions with public official
- h) Applicable statutory, regulatory, contractual and professional obligations and duties.

4.2 Understanding the needs and expectations of stakeholders

Stakeholder (admitted term)

Person or *organization* (3.2) that can affect, by, be affected or perceive itself to be affected by a decision or activity



Clause 4.2 Interested Parties, Requirements & Expectations of Client's Stakeholder

STAKEHOLDER	STAKEHOLDER / INTERESTED PARTIES (NOT LIMITED TO)	MANDATORY REQUIREMENTS	NON-MANDATORY EXPECTATIONS	VOLUNTARY COMMITMENTS
Shareholders	Ministry of Finance	Project completion within approved cost timeline and quality requirements; meet statutory, regulatory, contractual, and legal requirements	Good collaboration & relationship, transparent and constant engagement	
Investors	SUKUK holders	Meet statutory, regulatory, contractual, and legal requirements	Continuous disclosure on information	
Business Partners / Supplier / Service Provider	Utility Providers, Vendors & Consultants engaged by the organization.	Transparent tendering and procurement process; fulfilling the contractual requirements	Good collaboration & relationship, transparent and constant engagement	
Strategic Partner	Westpot, Kuantan Port, Kemaman Port, Nilai Inland Port, Temerloh Inland Port, ECRDC, Sime Darby (Pulau Carrey - freight village)	Fulfill the contractual requirements	Alignment integration, interchange stations, convenient & enhanced accessibility	
Regulators	Related Ministry, State Government, Local Councils, Department of Occupational Safety & Health (DOSH), Department of environment (DOE), Malaysia Anti-Corruption Commissions (MACC), National Heritage Department, Construction Industry Development Board (CIDB), Jabatan Kemajuan Orang Asli, Jabatan Ketua Pengarah Tanah & Galian (JKPTG), Jabatan Penilaian & Perkhidmatan Harta Malaysia (JPPH)	Meet statutory, regulatory, contractual, and legal requirements	Good collaboration & relationship, transparent and constant engagement	
Costumers	Rakyat, Joint Venture Company for Operation	Meet functionality and operational requirements	Transparent and constant communication	

4.5 Bribery Risk Assessment

- 4.5.1 The organisation shall undertake regular bribery risk assessment(s), which shall:
- a) Identify the bribery risks the organisation might reasonable anticipate, given the factors listed in 4.1;
 - b) Analyse, assess and prioritise the identified bribery risks;
 - c) Evaluate the suitability and effectiveness of the organisation's existing controls to mitigate the assessed bribery risks.
- 4.5.2 The organisation shall establish criteria for evaluating its level of bribery risk, which shall take into account the organisation's policies and objectives.

4.5.3 The bribery risk shall be reviewed:

- a) On a regular basis so that changes and new information can be properly assessed based on timing and frequency defined by the organisation;
- b) In the event of a significant change to the structure or activities of the organisation.

4.5.4 The organisation shall retain documented information that demonstrates that the bribery risk assessment has been conducted and used to design or improve the ABMS

Example: Establishment of Bribery Risk Criteria, Bribery Risk Registers

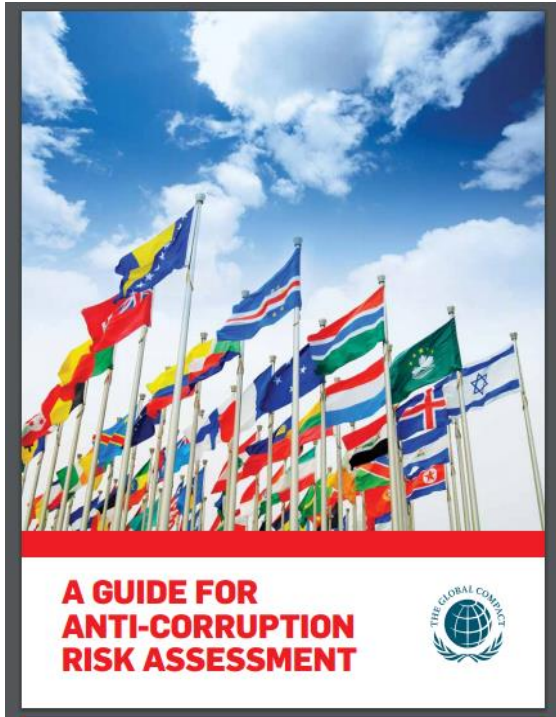


RISK TREATMENT

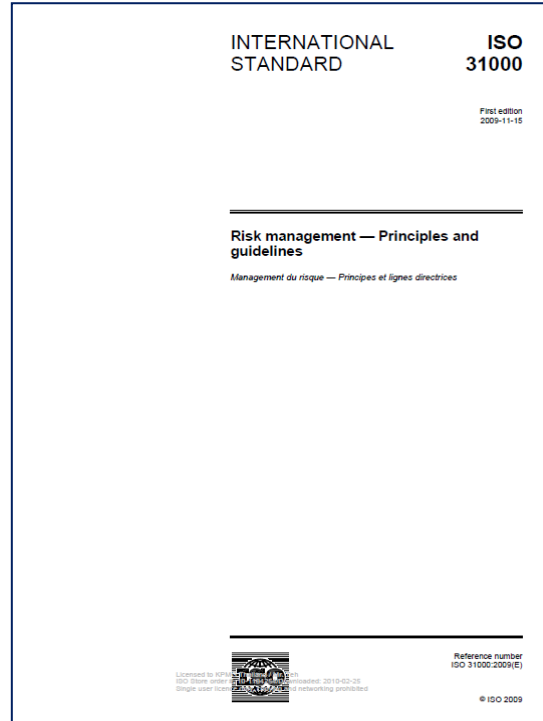
Define, Identify and Picking best treatment

CRM Benchmark comparisons

Developed in July 2015 by SPRM, in accordance with International risk management standards



A Guide for Anti-Corruption Risk Assessment" by UN Global Compact Office



ISO 31000 – Risk Management Principles and Standards



ISO 37001 – Anti Bribery Management System

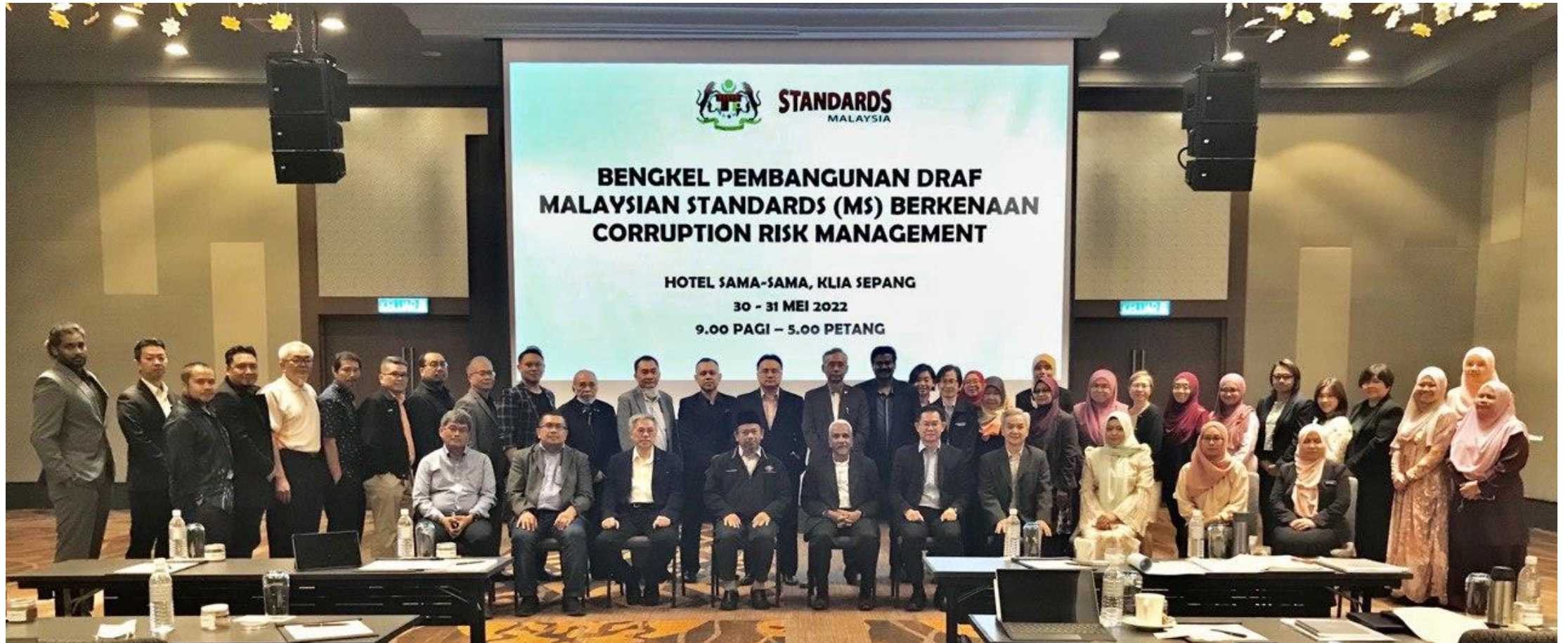


MS ISO 37001 – Anti Bribery Management Systems



MS 2764 – Corruption Risk Management - Guidelines

Pembangunan MS bagi CRM – published Nov 2022



MS 2764 Corruption Risk Assessment (CRM) CONTENT

MS 2764:2022

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Should BOARDS & TM establish their own Corruption Risk Register?

- By Law
 - Principle R – risk assessment to all level in the organization
 - ESG & GRC / NACP
 - Code of Conduct for Directors & Company Secretary by SSM 2016
- By ISO
 - Clause 3.25
 - Clause 4.5.1 (a) that brings to Clause 4.1 (a) & Clause 4.1 (h)
 - Clause 5.1.2 (j)
 - Clause 5.3.3
 - Clause 7.2.2.2 (c)
 - Clause 9.3.1 (d)

**The answer is
YES!**

Paper Presented on Governance Risks & Boards Competencies



NATIONAL CONFERENCE ON INTEGRITY & GOVERNANCE
5th & 6th October 2022 | INTERCONTINENTAL HOTEL, KL | 9AM - 4PM

SPEAKERS

 IZWAN ZAINUDDIN Chief Executive Officer, PUNB	 IR. HJ. MOHD PRASAD HANIF Secretary General, ADFIM	 TAN SRI IR DR SAHOL HAMID ABU BAKAR Vice Chancellor, UNITAR International University	 MR K. PERBAGARAN KUPPUSAMY Chief Risk Officer, CCC	 SELVAMALAR ALAGARATNAM Board of Governors, MICC	 MOHD NUR LOKMAN SAMINCAN Senior Assistant Commissioner, SPRM	 YB TUN DR. MAHATHIR BIN MOHAMAD Honorary President, Perdana Leadership Foundation / Former Prime Minister of Malaysia
 DR. KASSIM NOOR MOHAMED Chief Executive Officer, ELMU Education Group	 CYNTHIA GABRIEL Center for Combatting Corruption & Cronyism (C4)	 YB DR. ONG KIAN MING Former Deputy Minister, Member of Parliament	 DR. HALIMAH ALI Former State Exco	 DATUK ZAINUL ARIFFIN MOHAMMED ISA Chief Executive Officer, PETRA News	 YB TAN SRI AZHAR AZIZAN HARUN Yang Di-Pertua Dewan Rakyat	
 ABSHAD MOHAMED ISMAIL Group President & CEO, EXIM Bank	 ABDUL HALIM JANTAN Chief Executive Officer, Sterling Group	 LIM CHEONG GUAN Managing Director, Top Glove Corporation Bhd	 HATTA HASHOM Managing Director & Principal Consultant, Hatta Hash Consultancy	 FIROZ ABDUL HAMID Moderator		

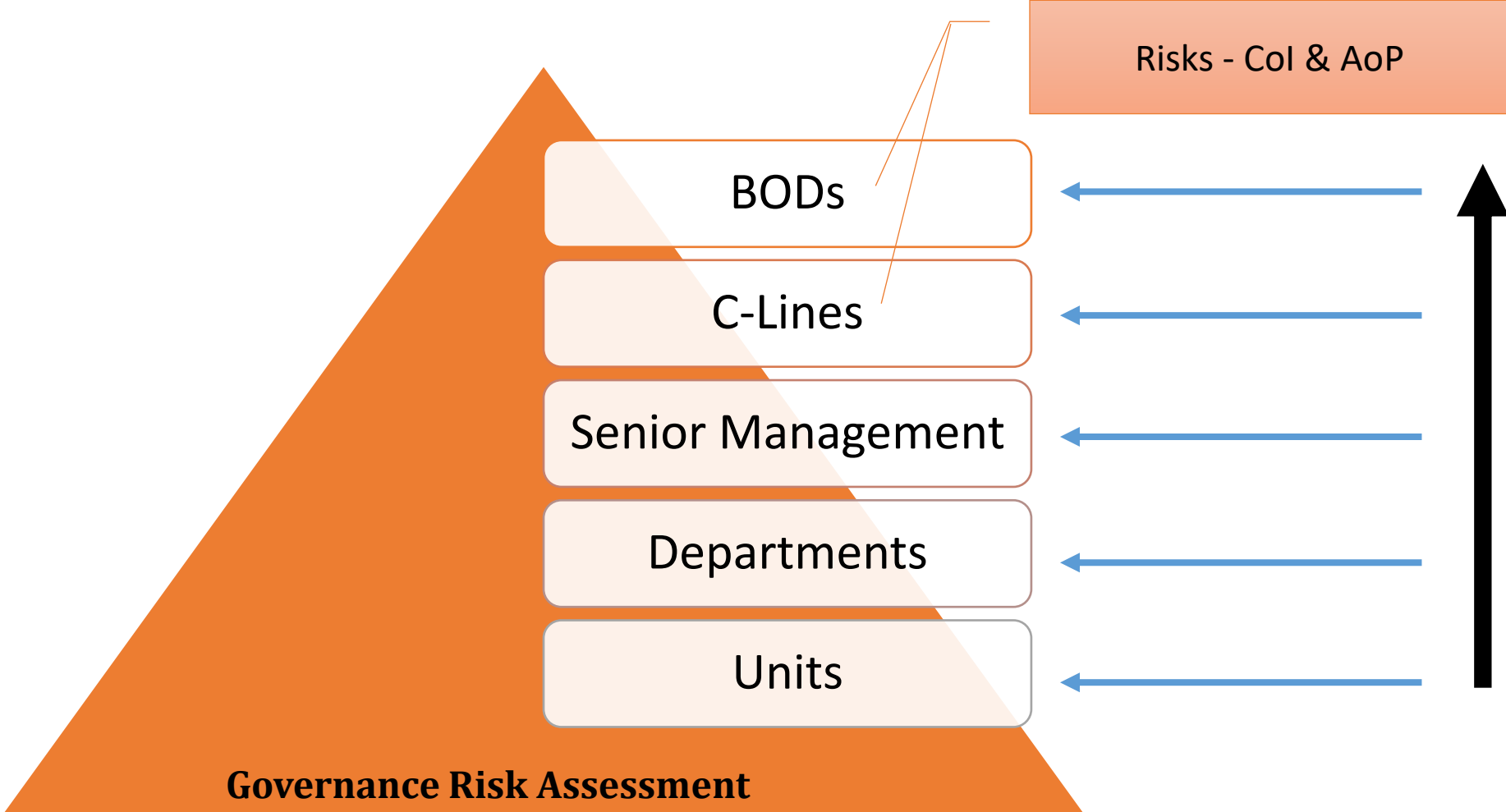
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Failing to Identify & Address Governance Risks at Governing Body Levels



Good Governance Academy (GGA) Dialogue on Board competencies & capabilities



The Director's Dilemma

There is no such
thing as 'in my
personal capacity'
when you are on a
board.



- JULIE GARLAND MCLELLAN

An aerial photograph of the Kuala Lumpur skyline, featuring the Petronas Twin Towers as the central focus. The towers are tall, silver, and have a distinctive spire. To their left is a tall, gold-colored skyscraper. The rest of the city is filled with various high-rise buildings of different heights and colors, including blue, grey, and white. The sky is a clear blue with some light clouds. The overall scene is a dense urban landscape.

Session 4






















JUXTAPOSING THE CRA & OTHER CORRUPTION RISK ASSESSMENT TOOLS


RISK MANAGEMENT : MALAYSIA CORRUPTION CONTEXT

Initiatives related to managing risks :

1. Organizational Anti-corruption Plan - OACP
2. Anti-bribery Management Systems - CRA

RELATIONSHIP BETWEEN GUIDELINES ON ADEQUATE PROCEDURES AND OTHER APPROACH (all preventive measures/managing corruption risks instruments available in Malaysia)

Guidelines on Adequate Procedure	MS ISO37001 ABMS	Corporate Integrity System Malaysia (CISM)	Organizational Anti-Corruption Plan (OACP)	Corruption Risk Management (CRM)	Corruption Risk Assessment (CRA)
T	 Clause 5				
R	 Clause 4,6				
U	 Clause 6,7,8				
S	 Clause 7.222, 8.2 & 9				
T	 Clause 7.3, 7.4 & 7.5				

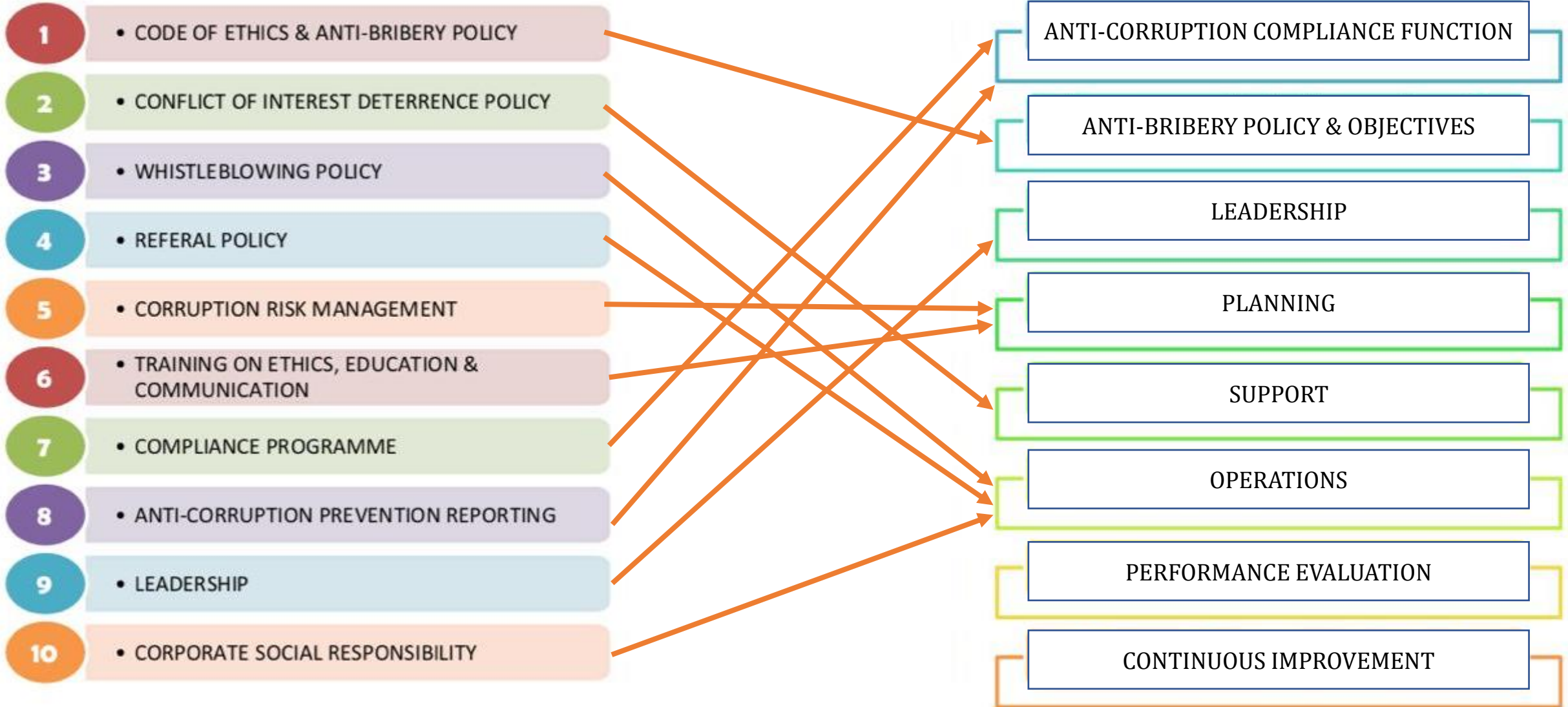
 = Included

 = Partly Included

Differences Between CISM & ABMS

CISM

ISO 37001



An aerial photograph of the Kuala Lumpur skyline, featuring the iconic Petronas Twin Towers in the center. The towers are tall, silver, and have a distinctive spire. To the left, there is a large, modern building with a golden facade. The rest of the city is filled with various high-rise buildings of different heights and colors, set against a blue sky with some clouds. The lighting suggests it might be late afternoon or early morning.

Session 5

UNDERSTANDING HOW CRA CAN CONTRIBUTE TO ORGANIZATIONAL ANTI-CORRUPTION PLAN (OACP)

- CRA from the context of International Best Practise
- CRA pursuant to The Ministerial Guideline on Adequate Procedure
- Clause 4.5 according to MS ISO 37001:2016 ABMS
- Establishing Context of CRA
- Development of Corruption Risk Register



ANALISIS DATA - OACP

RUJUKAN YANG DIPERLUKAN

✓ **Dapatan CRA, CRM, IAT**

- ✓ Pelan Strategik Organisasi
- ✓ Statistik Data SPRM
- ✓ Teguran Audit (Laporan Ketua Audit Negara/ Audit Dalam)
- ✓ Statistik Tatatertib
- ✓ Aduan Awam (Dalaman/ Luaran)
- ✓ Kajian berkaitan
- ✓ Pelan Integriti Organisasi (PIO)
- ✓ Mesyuarat (JAR / perkara berkaitan risiko)
- ✓ Laporan Biro Pengaduan Awam
- ✓ Laporan KUI
- ✓ Lain-lain yang berkaitan

PRI

Potential Corruption Risk

Potential Corruption Risk

Job Position



Department / Division / Section / Unit



Job Description or Business Activities of Department / Division / Section / Unit Functions



Risk Identification – tally to MACC Offences



Sign-off

Top-Down Methodology (TDM)

TOP-DOWN METHODOLOGY FOR CRA IDENTIFICATION

Company / Business Strategy Goal

↓

Job Description / Business Activities

i)	
ii)	
iii)	

Corruption Risk Identification

↓

i)		No.	Offenses
ii)		1. Section 16(a)	corruptly solicits or receives or agrees to receive for himself or for any other person any gratification
iii)		2. Section 16(b)	corruptly gives, promises or offers to any person whether for the benefit of that person or of another person any gratification
iv)		3. Section 17(a)	corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gratification
v)		4. Section 17(b)	corruptly gives or agrees to give or offers any gratification to any agent as an inducement or a reward for doing or forbearing
vi)		5. Section 18	gives to an agent, or being an agent, he uses with intent to deceive his principal E.g.: receipt, account or other document
vii)		6. Section 23	Misuse of power & position
viii)		7. Section 25	Fail to report bribery/corruption
ix)		8. Section 28 (1) c	Attempts, preparations, abetments and criminal conspiracies punishable as offence
x)			
xi)			
xii)			
xiii)			

Illustrative example

Name :
 Designation :
 Date :
 Signature :

TDM : Check & Balance of PRI and MACC Act Key Offences

Potential Risk Identification (PRI)			
	No.	Sections	Offenses
i) May corruptly receiving gifts, entertainment or hospitality from Auditees to influence the audit processes or to drop findings that are not favourable to the Auditees (internally/as coordinator)	1	Section 16(a)	corruptly solicits or receives or agrees to receive for himself or for any other person any gratification
ii) May corruptly giving gifts, entertainment or hospitality to External Auditors, e.g. Financial and Forensic Audit to influence the audit processes or to drop findings that are not favourable to HDC.	2	Section 16(b)	corruptly gives, promises or offers to any person whether for the benefit of that person or of another person any gratification
	3	Section 17(a)	corruptly accepts or obtains , or agrees to accept or attempts to obtain , from any person, for himself or for any other person, any gratification (as an agent)
iii) May corruptly provide documents such as receipts/invoices that are false or contain false details with the intention to deceive HDC.	4	Section 17(b)	corruptly gives or agrees to give or offers any gratification to any agent as an inducement or a reward for doing or forbearing (to an agent)
	5	Section 18	Intent to deceive his principal E.g.: receipt, account or other document
iv) May corruptly abuse power or position to make decisions or take action in dropping audit findings.	6	Section 23	Misuse of power or position
	7	Section 25	Fail to report corruption occurrences
v) May corruptly abuse power or position to cover up corrupt practices/fraud/misconduct with the intent to be favoured by Management for future promotion.	8	Section 28	Abetment or Collusion

CRA Register

a living document for OACP & ABMS implementation

CRA Processes

RI, RA, RE

The Corruption Risk Assessment Process encompasses the following **three distinct process**, providing guidance to participants in the identification of corruption risks and the subsequent documentation of these risks into the designated risk templates.

The consultant **facilitate process owners by performing Potential Risk Identification (PRI)** to help the process owners harvesting the risk accurately based on the MACC Key Offences.

Example of Corruption Risk Register

BIL	RISK TITLE	RISK DESCRIPTION	RISK OWNER	ROOT CAUSES	CONSEQUENCE	SOURCE / MANIFESTE	GROSS RATING		GROSS RISK RATING	EXISTING CONTROL	RISK TREATMENT	ACTION PLAN
							IMPACT	LIKELIHOOD				

In order to identify corruption risks, the process owner has to ensure the four elements are captured.

4.5 Bribery risk assessment
 4.5.1 The organization shall undertake regular bribery risk assessment(s), which shall:
 a) identify the bribery risks the organization might reasonably anticipate, given the factors listed in 4.1;

Ref: As required by MS ISO 37001 ABMS, Requirements & Guideline by JSM, / ISO

• Understanding & Considering the context of organization (cl. 4.1)

• External Stakeholders – needs and expectations (cl. 4.2)



“Organization shall conduct evaluations by considering internal and external risks of corruption in their respective agencies.”

Ref: As stated in Guideline by GIACC, JPM

MACC Act Key Offences
 Section 16(a)
 Section 16(b)
 Section 17(a)
 Section 17(b)
 Section 18
 Section 23
 Section 25
 Section 28

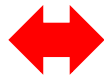
To fulfill bylaws requirements.
 Ref: MACC Act 2009

•The four main Offences under MACC Act 2009
 •Section 17A of MACC Act 2009 (Amendment) 2018

•Inbound Bribery (the risk of bribery of organization’s personnel)
 •Outbound Bribery (Organization’s personnel bribing others on behalf of the organization)

TDM : Check & Balance of PRI and MACC Act Key Offences

Potential Risk Identification (PRI)				No.	Sections	Offenses
i) May corruptly receiving gifts, entertainment or hospitality from Auditees to influence the audit processes or to drop findings that are not favourable to the Auditees (internally/as coordinator)				1	Section 16(a)	corruptly solicits or receives or agrees to receive for himself or for any other person any gratification
ii) May corruptly giving gifts, entertainment or hospitality to External Auditors, e.g. Financial and Forensic Audit to influence the audit processes or to drop findings that are not favourable to HDC.				2	Section 16(b)	corruptly gives, promises or offers to any person whether for the benefit of that person or of another person any gratification
				3	Section 17(a)	corruptly accepts or obtains , or agrees to accept or attempts to obtain , from any person, for himself or for any other person, any gratification (as an agent)
iii) May corruptly provide documents such as receipts/invoices that are false or contain false details with the intention to deceive HDC.				4	Section 17(b)	corruptly gives or agrees to give or offers any gratification to any agent as an inducement or a reward for doing or forbearing (to an agent)
				5	Section 18	Intent to deceive his principal E.g.: receipt, account or other document
iv) May corruptly abuse power or position to make decisions or take action in dropping audit findings.				6	Section 23	Misuse of power or position
				7	Section 25	Fail to report corruption occurrences
v) May corruptly abuse power or position to cover up corrupt practices/fraud/misconduct with the intent to be favoured by Management for future promotion.				8	Section 28	Abetment or Collusion

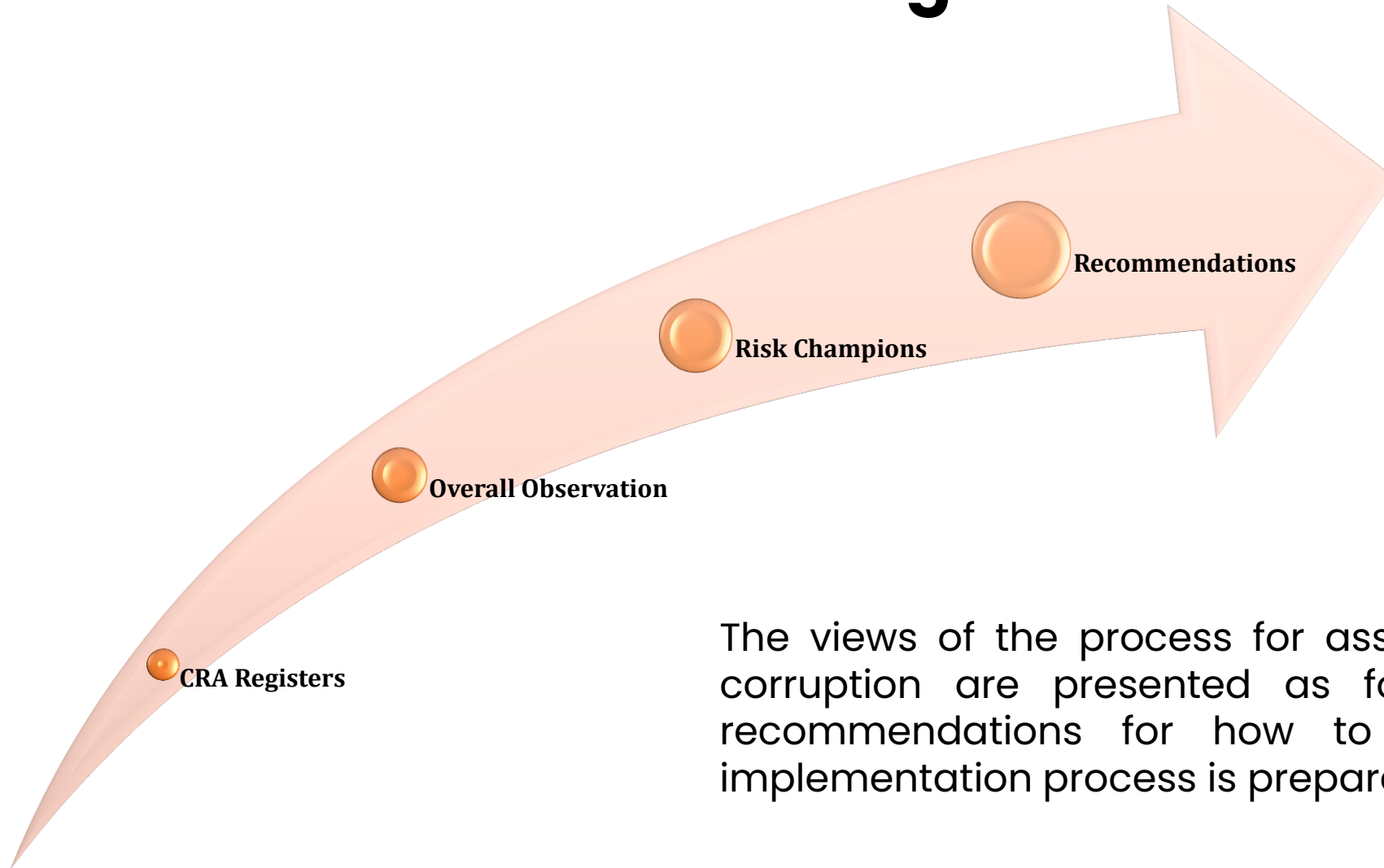


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- They could not get comfortable with the current state of their control environment without having a firm grasp on what is an inherent risk assessed for that scenario.
- This stemmed from their experience in conducting risk assessments where the first step is to identify the inherent risk, then factor in controls to arrive at residual risk.

Finding for TM & BOD Presentation
pursuant to Clause 4.5.3, Clause 9.3.1 & Clause 9.3.2

OUTPUT - Consultation Insight



The views of the process for assessing the risk of corruption are presented as follow, along with recommendations for how to make the CRA implementation process is prepared effectively.



For further questions on ABMS:
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END
THANK YOU

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