Pilot Project Milestone

PRE-CERTIFICATION

CERTIFIED (expected:12 organizations)

STAGE 2 AUDIT

STAGE 1 AUDIT

1. ABMS Taskforce Meeting
2. Meeting with SPRM/DSM/MACA
3. Briefing to SPRM

2017

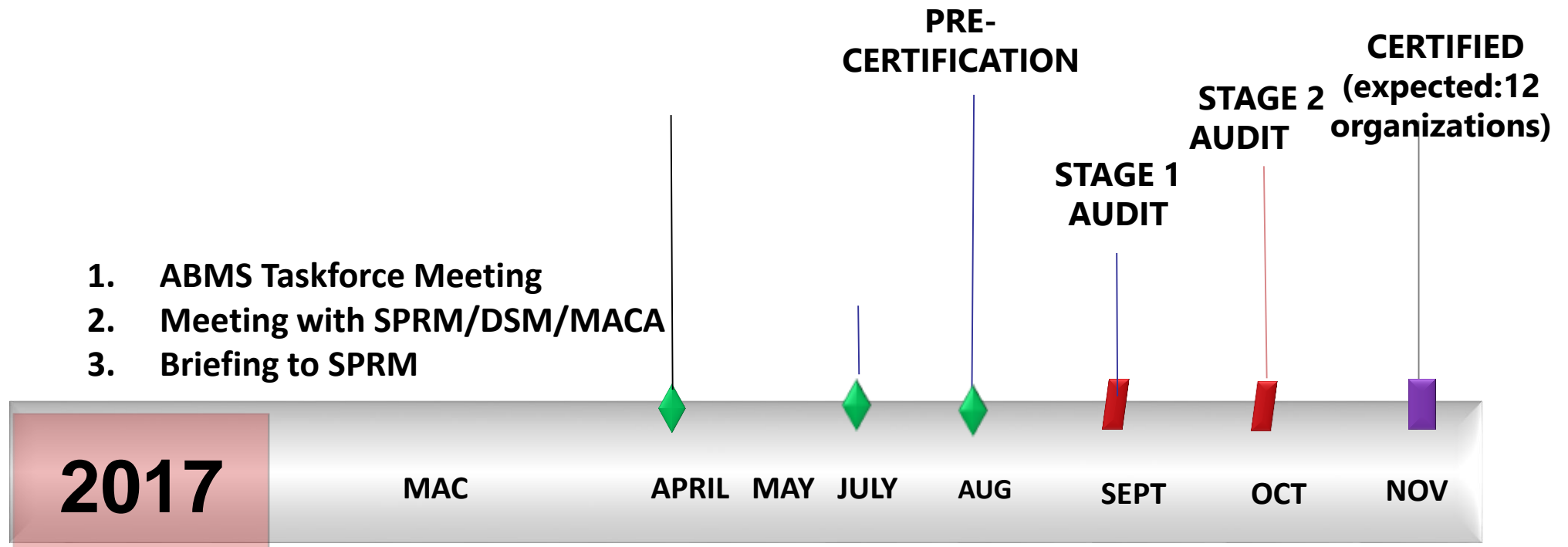| MAC | APRIL | MAY | JULY | AUG | SEPT | OCT | NOV |

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Companies under Pilot Program

1. AGENSI KELAYAKAN MALAYSIA (MQA)

2. BANK RAKYAT

3. JABATAN IMIGRESEN MALAYSIA

4. JABATAN PENGANGKUTAN JALAN

5. JABATAN PERKHIDMATAN AWAM

6. LEMBAGA TABUNG HAJI

7. MAJLIS PERBANDARAN SEBERANG PERAI

8. MAJLIS PERBANDARAN SUBANG JAYA

9. PETROLIAM NASIONAL BERHAD (PETRONAS)

10. PIHAK BERKUASA TEMPATAN PENGERANG

11. TOP GLOVE CORPORATION BERHAD

Additional Applicants for ABMS Certification

1. Felda Global Ventures Holdings Berhad (FGV)

2. Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA)

3. Yayasan Pahang

ISO 37001:2016 ANTI-BRIBERY MANAGEMENT SYSTEMS PILOT PROGRAMME

corruption
85 sec

What is ISO 37001?

- ISO 37001 is an anti-bribery management system standard published in October 2016.

- It is designed to help an organization establish, implement, maintain, and improve an anti-bribery compliance programme.

- It includes a series of measures and controls that represent global anti-bribery good practice.

Does the Standard require a stand-alone Management System?

- The measures required by ISO 37001 are designed to be integrated with existing management processes and controls.

- It follows the common high-level structure for ISO management system standards, for easy integration with, for example, ISO 9001.

- New or enhanced measures can be integrated into existing systems.

What does ISO 37001 address?

- Bribery by the organization, or by its personnel or business associates acting on the organization's behalf or for its benefit.

- Bribery of the organization, or of its personnel or business associates in relation to the organization's activities.

Does the Standard define bribery?

- Bribery is defined by law which varies between countries. Therefore the Standard provides a generic definition of bribery, but the actual definition will depend on the laws applicable to the organization.

- The Standard provides guidance on what is meant by bribery to help users understand the intention and scope of the Standard.
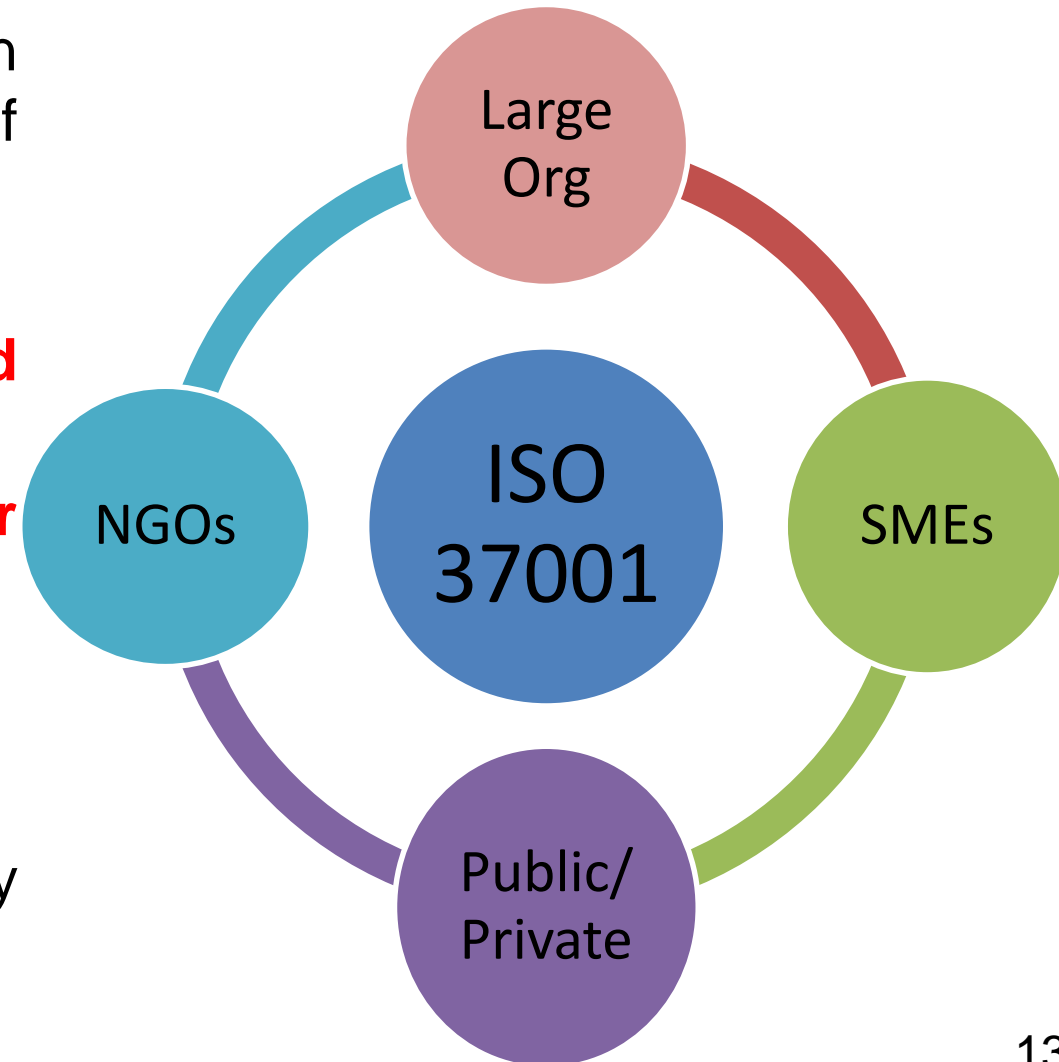
The standard is flexible and can be adapted to a wide range of organizations, including:

- **Large organizations**
- **Small & medium sized enterprises (SMEs)**
- **Public and private sector organizations**
- **Non-governmental organizations (NGOs)**

The standard can be used by organizations in any country.

Large Org

NGOs

ISO 37001

SMEs

Public/ Private

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How will the Standard benefit an organization?

The Standard benefits an organization by providing:

- Minimum requirements and supporting guidance for implementing or benchmarking an anti-bribery management system

- Assurance to management, investors, employees, customers, and other stakeholders that an organization is taking reasonable steps to prevent bribery

- Evidence in the event of an investigation that an organization has taken reasonable steps to prevent bribery.

Helps to Reduce

- **bribery risks and demonstrate** a culture of integrity transparency, openness and compliance.

Conformity to ISO 37001

- **cannot provide assurance that no bribery will occur** as it **is not possible to completely eliminate** the risk of bribery.
- helps organizations **implement reasonable measures** to **prevent, detect and respond to bribery**.

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ISO 37001-ABMS : Series of measures to help organisation to

Respond

Prevent

Detect
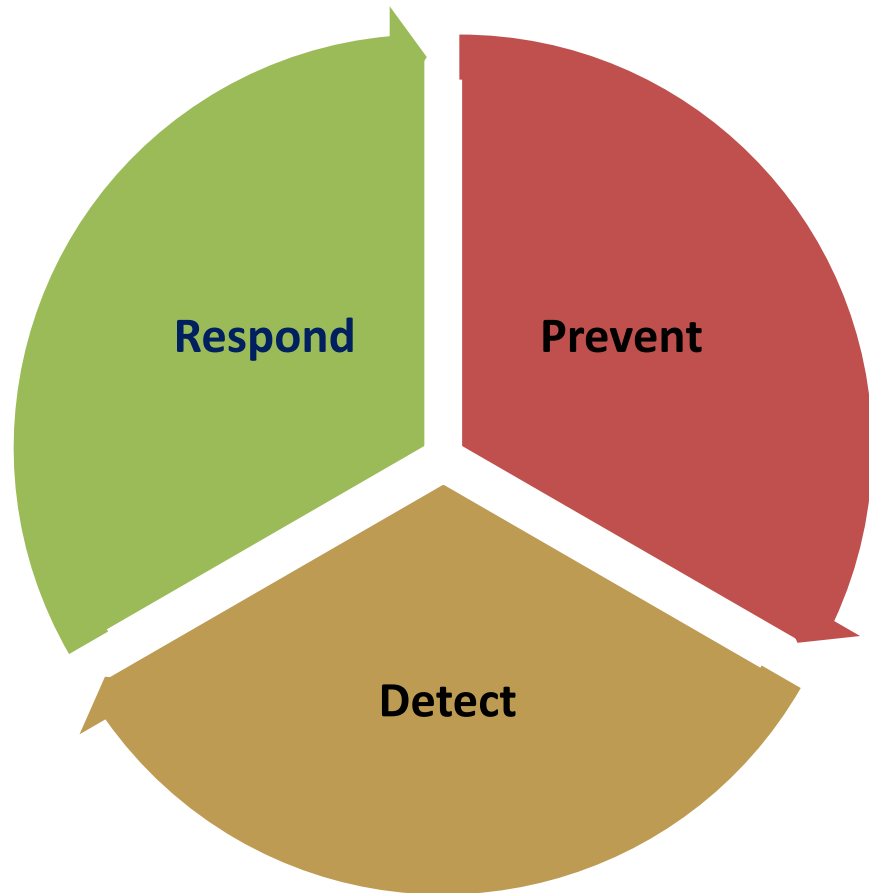
✓ **Which include**

1. An anti-bribery policy & objectives	2. Appointing a person(s) to oversee anti-bribery compliance
3. Training	4. Risk assessments & due diligence on projects & business associates
5. Implementing financial & commercial controls	6. Instituting reporting & investigation procedures

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# CORPORATE INTEGRITY SYSTEM MALAYSIA (CISM) & ISO 37001 REQUIREMENTS

CISM

1. CODE OF ETHICS & ANTI-BRIBERY POLICY
2. CONFLICT OF INTEREST DETERRENCE POLICY
3. WHISTLEBLOWING POLICY
4. REFERAL POLICY
5. CORRUPTION RISK MANAGEMENT
6. TRAINING ON ETHICS, EDUCATION & COMMUNICATION
7. COMPLIANCE PROGRAMME
8. ANTI-CORRUPTION PREVENTION REPORTING
9. LEADERSHIP
10. CORPORATE SOCIAL RESPONSIBILITY

ISO 37001:2016

- An anti-bribery policy, procedures, & controls
- Top management leadership, commitment & responsibility
- Governing body Oversight
- Anti-bribery training and awareness
- Risk assessment
- Due diligence on projects & business associates
- Reporting, monitoring and investigation
- Management review, corrective action & continual improvement

Series of measures and controls

Prevent

Detect &

Respond to bribery

- An anti-bribery policy, procedures, & controls
- Top management leadership, commitment & responsibility
- Oversight Governing body
- Anti-bribery training
- Bribery risk assessment
- Due diligence on projects & business associates
- Reporting, monitoring, investigation & review
- Corrective action & continual improvement

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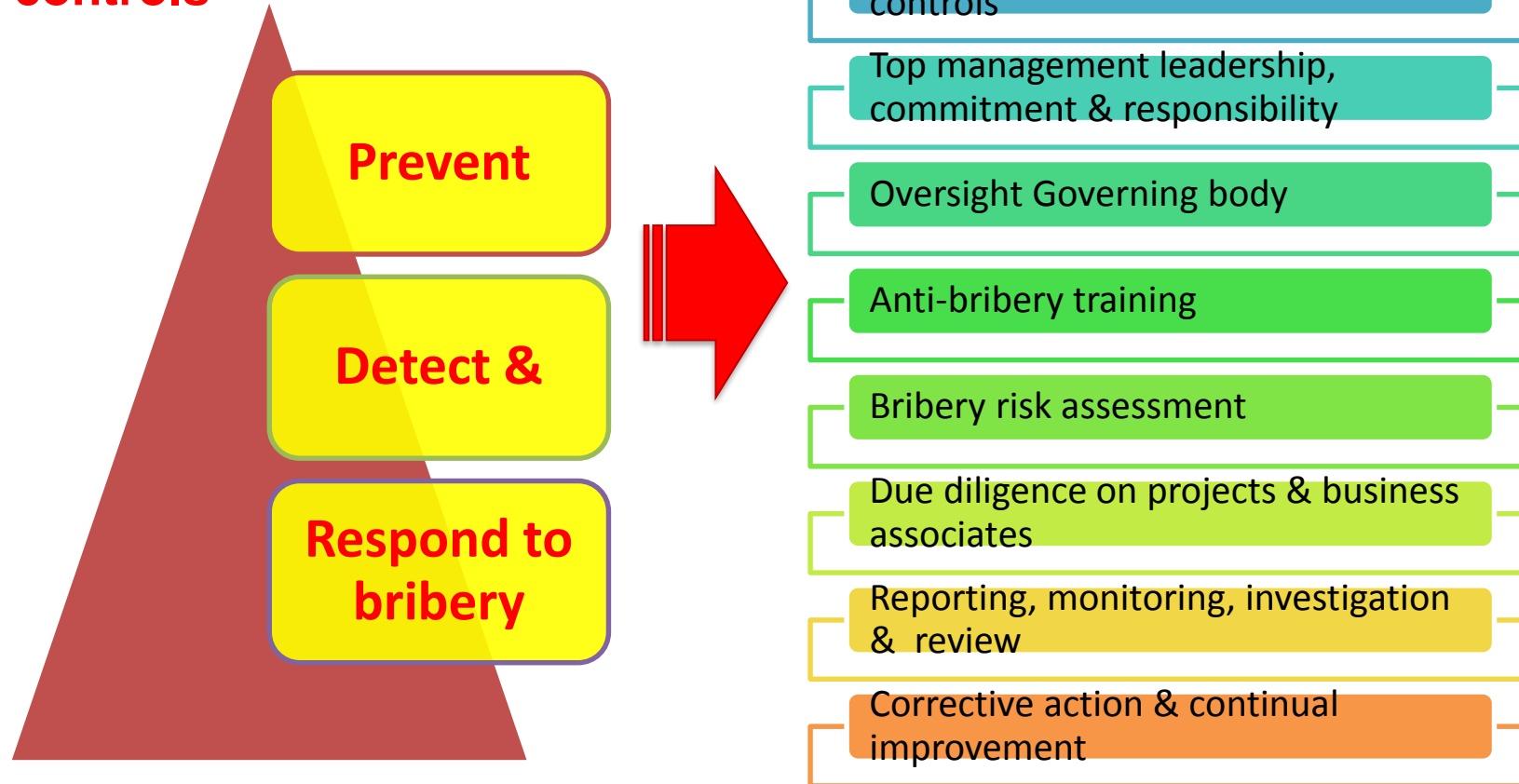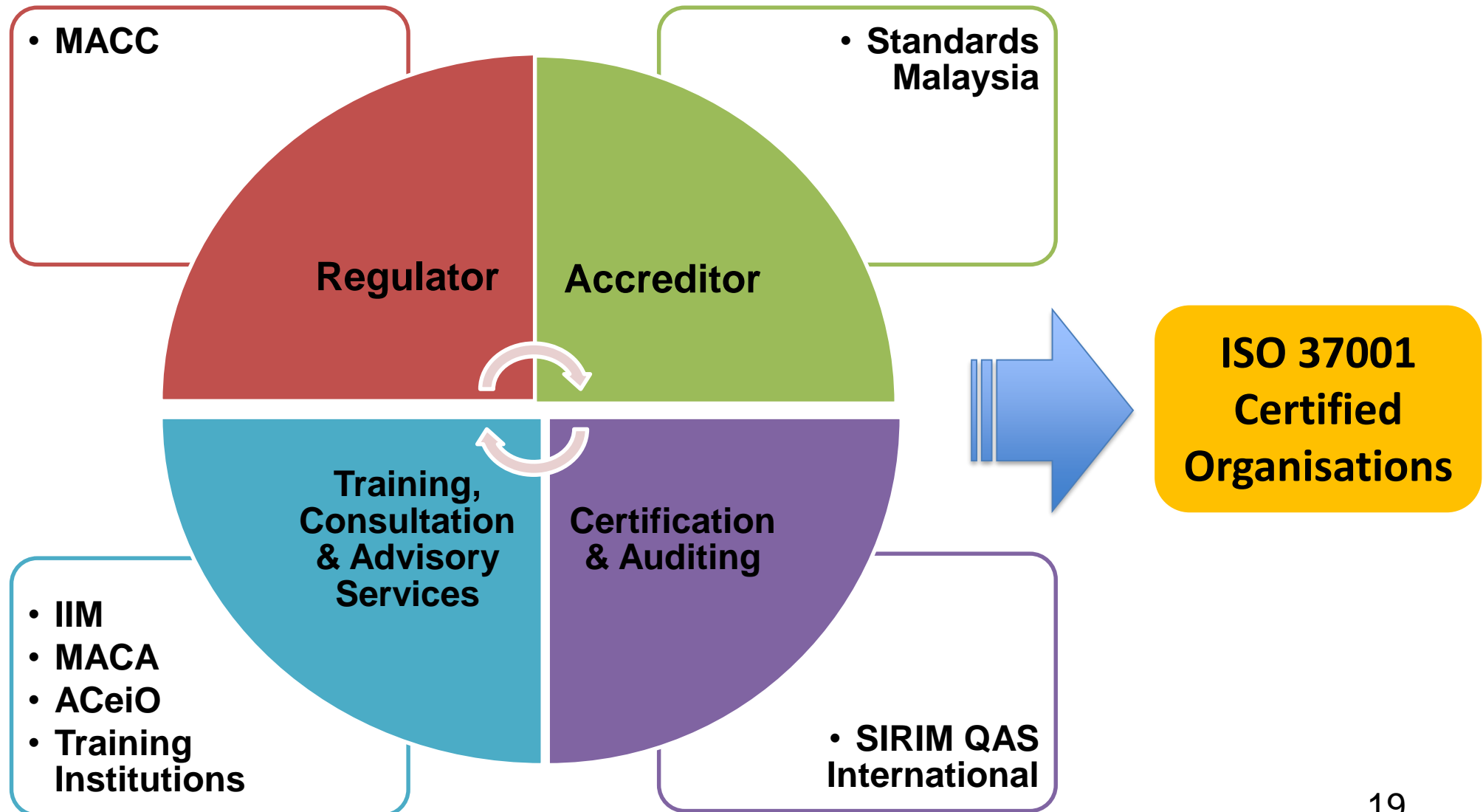
- MACC Act 2009 (ACT 694)

- Whistleblower Protection Act 2010 (ACT 711)
   - SPRM, JPJ, JIM, PDRM, KASTAM

- Witness Protection Act 2009 (ACT 696)
- Act 696 focuses more on physical protection like security watches and accommodation assistance, while Act 711 is more on protection for the secret information given by the whistleblower, immunity from civil and criminal actions and from adverse actions

- Pekeliling Perkhidmatan Bil 6 Tahun 2013 – Penubuhan Unit Intergriti Di Semua Agensi Awam

- Bahagian 1 : Permulaan
- Bahagian 2 : Suruhanjaya Pencegahan Rasuah Malaysia
- Bahagian 3 : Peruntukan Tentang Lembaga Penasihat, Jawatankuasa Khas dan Jawatankuasa Aduan
- Bahagian 4 : Kesalahan Dan Penalti
- Bahagian 5 : Penyiasatan, Pemeriksaan dan Penggeledahan, Penyitaan dan Penangkapan
- Bahagian 6 : Keterangan
- Bahagian 7 : Pendakwaan dan Perbicaraan Kesalahan
- Bahagian 8 : Am
- Bahagian 9 : Pemansuhan dan Kecualian

- **Bahagian 4 (Kesalahan dan Penalti)**

I. Seksyen 16: Kesalahan Menerima suapan

II. Seksyen 17: Kesalahan memberi atau menerima suapan oleh ejen

III. Seksyen 18: Kesalahan dengan maksud untuk memperdayakan principal oleh ejen

IV. Seksyen 19: Penerima atau pemberi suapan melakukan suatu kesalahan tanpa mengambil kira maksud tidak dilaksanakan atau perkara tidak berkaitan dengan hal ehwal atau perniagaan prinsipal

V. Seksyen 20: Secara rasuah mendapatkan penarikan balik tender

VI. Seksyen 21: Penyogokan pegawai badan awam

VII. Seksyen 22: Penyogokan pegawai awam asing

VIII. Seksyen 23: Kesalahan menggunakan jawatan atau kedudukan untuk suapan

IX. Seksyen 24: Penalti bagi kesalahan di bawah seksyen 16, 17, 18, 19, 20, 21, 22 dan 23

X. Seksyen 25: Kewajipan untuk melaporkan transaksi penyogokan

XI. Seksyen 26:. Berurusan tentang, menggunakan, memegang, menerima atau menyembunyikan suapan atau faedah berhubungan dengan apa-apa kesalahan

XII. Seksyen 27: Perbuatan pernyataan yang palsu atau dimaksudkan untuk mengelirukan, dsb., kepada pegawai Suruhanjaya atau Pendakwa Raya

XIII. Seksyen 28: Percubaan, persediaan, persubahatan dan komplot jenayah boleh dihukum sebagaimana kesalahan

kesalahan utama:

- Meminta/menerima rasuah (Seksyen 16 & 17a)
- Menawar/Memberi rasuah (Seksyen 17b)
- Membuat tuntutan palsu (Seksyen 18)
- Menggunakan kedudukan/jawatan untuk suapan (Seksyen 23)

Take FIVE!!!!

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THE ISO HIGH LEVEL STRUCTURE

ISO 37001: 2016	ISO 9001: 2015
0. Introduction	0. Introduction
1. Scope	1. Scope
2. Normative Reference	2. Normative Reference
3. Terms and Definitions	3. Terms and Definitions
4. Anti-Bribery Management Systems	4. Quality Management Systems
5. Leadership 6. Planning	5. Leadership 6. Planning
7. Support	7. Support
8. Operation 9. Performance Evaluation	8. Operation 9. Performance Evaluation
10. Improvement	10. Improvement

ISO 37001:2016 Anti-Bribery Management Systems Requirements with guidance for use

ISO 37001 :Requirements

1. Scope

2. Normative references

3. Terms and definitions

ISO 37001 : Scope

Specifies requirements and provides guidance for

- ➢ **establishing**

- ➢ **implementing**

- ➢ **maintaining**

- ➢ **reviewing, and**

- ➢ **improving**

an anti-bribery management system.

ISO 37001 :Scope

- ✓ The ABMS can be

  - ➤ stand-alone or

  - ➤ integrated into an overall management system i.e. ISO 9001, ISO 14001, OHSAS 18001, ISO/IEC 27001, ISO 22301 etc.

  IMS = Integrated Management System

ISO 37001 :Scope

✓ The ABMS cover the organization's activities

➢ Bribery in the public, private and not-for-profit sectors

➢ Bribery by the organization

➢ Bribery by the organization's personnel action on the organization's behalf or for its benefit

➢ Bribery by the organization's business associates acting on the organization's behalf or for its benefit

ISO 37001:Scope

✓ The ABMS cover the organization's activities (cont..)

➢ Bribery of the organization

➢ Bribery of the organization's personnel action in relation to the organization's activities

➢ Bribery by the organization's business associates in relation to the organization's activities

➢ Direct and indirect bribery (e.g. a bribe offered or accepted through or by a third party)

ISO 37001:Scope

✓ The ABMS standard only applicable to bribery

✓ The standard set out the requirements and guidance for a ABMS designed to help all organization to

  ➢ Prevent

  ➢ Detect, and

  ➢ Respond

to bribery and comply with anti-bribery laws and voluntary commitments applicable to its activities.

ISO 37001 :Scope

✓ The standard does not specifically address

➤ Fraud

➤ Cartels and other anti-trust/competition offences

➤ Money-laundering or

➤ Other activities related to corrupt practices

However an organization can choose to extend the scope of management system to include such activities.

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ISO 37001 :Scope

✓ The standard requirements are generic and are intended to be applicable to

- ➢ All organizations (or parts of an organization)

- ➢ Regardless of type, size and nature of activities

- ➢ Public, private or not-for-profit sectors

However an organization can choose to extend the scope of management system to include such activities.

ISO 37001 :Organization Context

4 Context of the organization

4.1   Understanding the organization and its context

4.2   Understanding the needs and expectation of
        stakeholders

4.3   Determining the scope of the anti-bribery
        management system

4.4   Anti-bribery management system

4.5   Bribery risk assessment

Summary :
Understand the organization
Determine the scope of ABMS
Conduct bribery risk assessment

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ISO 37001 :Organization Context

4.1   Understanding the organization and its context

The organization shall determine

external & internal issues

that are relevant to its purpose and

that affect its ability to achieve the objectives of its anti-bribery management system.

ISO 37001 : Organization Context

4.1   Understanding the organization and its context
        The issues will include (without limitation)

➢ Size, structure and delegation decision-making authority of the organization

➢ Locations and sectors in which the organization operates or anticipates operating

➢ Nature, scale and complexity of the organization's activities and operations

➢ Organization's business model

4.1   Understanding the organization and its context
        The issues will include (without limitation)

   ➢ The entities over which the organization has
     control and entities which exercise control over
     the organization

   ➢ The organization's business associates

   ➢ The nature and extend of interaction which
     public officials

   ➢ Applicable statutory, regulatory, contractual and
     Professional obligations and duties

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ISO 37001: Leadership

5 Leadership

5.1   Leadership and commitment
       5.1.1 Governing body
       5.1.2 Top management

5.2   Anti-bribery policy

5.3   Organizational roles, responsibilities and
       authorities
       5.3.1 Roles and responsibilities
       5.3.2 Anti-bribery compliance function
       5.3.3 Delegated decision-making

Summary:
Governing Body
Top management
Anti-bribery Compliance
Function
Anti Bribery Policy

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6 Planning

6.1   Action to address risks and opportunities

6.2   Anti-bribery objectives and planning to achieve
         them

Summary :
Taking action from the risk
assessment to achieve anti-
bribery objectives

7 Support

7.1   Resources

7.2   Competence
        7.2.1 General
        7.2.2 Employment process

7.3   Awareness and training

7.4   Communication

7 Support

7.5 Documented information
        7.5.1 General
        7.5.2 Creating and updating
        7.5.3 Control of documented information

Summary :
Resources (Human , Physical, Financial)
Competency
Employment Process
Awareness and Training
Communication

8 Operation

8.1   Operational planning and control

8.2   Due diligence

8.3   Financial Control

8.4   Non-financial control

8.5   Implementation of anti-bribery controls by   controlled organizations and by business associates

8.6   Anti-bribery commitments

8 Operation

8.7   Gifts, hospitality, donations and similar benefits

8.8   Managing inadequacy of anti-bribery controls

8.9   Raising concerns

8.10   Investigating and dealing with bribery

Summary :
Control of operations to reduce bribery risks (gifts, hospitality, donations policy/procedures)
Due diligence required for operations that is above low bribery risk
Financial & Non-Financial Control
Control of business associates to reduce bribery risks to the organization
Managing concerns relating to bribery (reporting, investigating, protect those making report)
Managing non-compliance of controls

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9 Performance evaluation

9.1   Monitoring, measurement, analysis and evaluation

9.2   Internal audit

9.3   Management review
        9.3.1 Top management review
        9.3.2 Governing body review

9.4   Review by anti-bribery compliance function

Summary:
Monitoring and evaluate anti-bribery performance
Internal Audit
Review by Anti-bribery compliance function
Review by Top Management
Review by Governing Body

ISO 37001: Improvement

10 Improvement

10.1   Nonconformity and corrective action

10.2   Continual improvement

Summary :
Responding to non-conformities (React,
Evaluate, Implement and Review Action)

ISO 37001 – Annex A

A.1   General

A.2   Scope of the anti-bribery management system
   A.2.1   Stand-alone or integrated anti-bribery
           management system
   A.2.2   Facilitation and extortion payments

A.3   Reasonable and proportionate

A.4   Bribery risk assessment

A.5   Roles and responsibilities of governing body and
       top management

A.6   Anti-bribery compliance function

A.7   Resources

A.8   Employment procedure

       A.8.1   Due diligence on personnel

       A.8.2   Performance bonuses

       A.8.3   Conflicts of interest

       A.8.4   Bribery to the organization's personnel

       A.8.5   Temporary staff or workers

A.9   Awareness and training

ISO 37001 – Annex A

A.10   Due diligence

A.11   Financial controls

A.12   Non-financial controls

A.13   Implementation of the anti-bribery management system by controlled organizations and by business associates
A.13.1 General
A.13.2 Controlled organizations
A.13.3 Non-controlled business associates
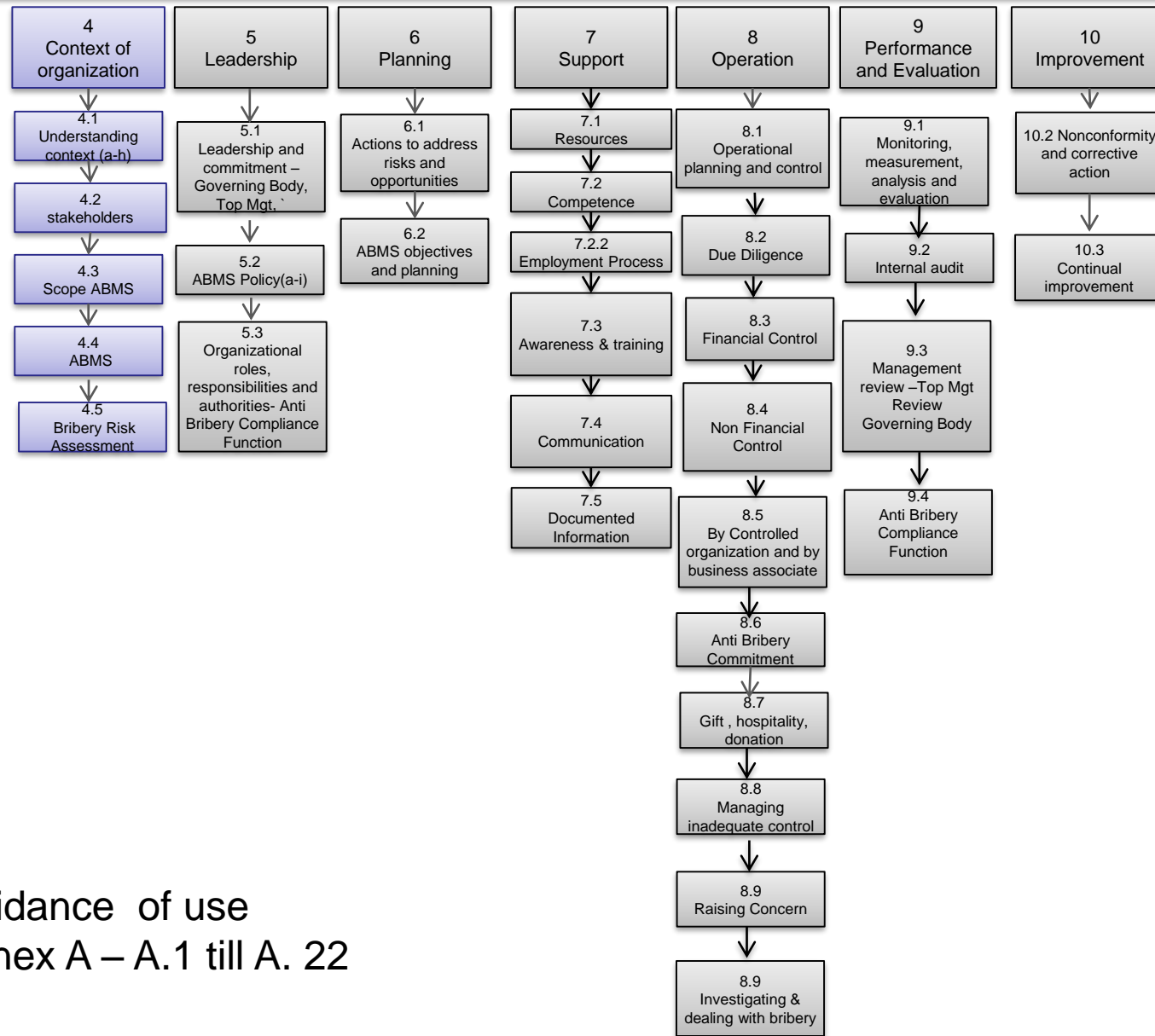
A.14   Anti-bribery commitments

A.15   Gifts, hospitality, donations and similar benefits

A.16   Internal audit

A.17   Documented information

A.18   Investigating and dealing with bribery

A.19   Monitoring

A.20   Planning and implementing changes to the anti-bribery management system

A.21   Public officials

A.22   Anti-bribery initiatives

REQUERIMENTS

4 Context of organization	5 Leadership	6 Planning	7 Support	8 Operation	9 Performance and Evaluation	10 Improvement
4.1 Understanding context (a-h)	5.1 Leadership and commitment – Governing Body, Top Mgt, `	6.1 Actions to address risks and opportunities	7.1 Resources	8.1 Operational planning and control	9.1 Monitoring, measurement, analysis and evaluation	10.2 Nonconformity and corrective action
4.2 stakeholders	5.2 ABMS Policy(a-i)	6.2 ABMS objectives and planning	7.2 Competence	8.2 Due Diligence	9.2 Internal audit	10.3 Continual improvement
4.3 Scope ABMS	5.3 Organizational roles, responsibilities and authorities- Anti Bribery Compliance Function		7.2.2 Employment Process	8.3 Financial Control	9.3 Management review –Top Mgt Review Governing Body	
4.4 ABMS			7.3 Awareness & training	8.4 Non Financial Control	9.4 Anti Bribery Compliance Function	
4.5 Bribery Risk Assessment			7.4 Communication	8.5 By Controlled organization and by business associate		
			7.5 Documented Information	8.6 Anti Bribery Commitment		
				8.7 Gift , hospitality, donation		
				8.8 Managing inadequate control		
				8.9 Raising Concern		
				8.9 Investigating & dealing with bribery		

Guidance of use
Annex A – A.1 till A. 22

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ESSENTIAL ELEMENTS FOR SUCCESSFUL ABMS

1 • **Top Management Commitment**

2 • **Bribery risk assessment**

3 • **Anti-bribery culture**

4 • **Implementations of effective controls and monitoring**

5 • **Effective internal audits**

6 • **Effective investigation and corrective action process**

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ABMS is about :
- proactively combating bribery
- building anti-bribery culture

ABMS should decrease the cost of doing business, ensure transparency in transactions and increase employee morale.

Certification Process

Application → Stage 1 Audit → Stage 2 Audit → Certification

Certificate valid for three (3) years

Once a Year

Surveillance Audit

Thank you

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