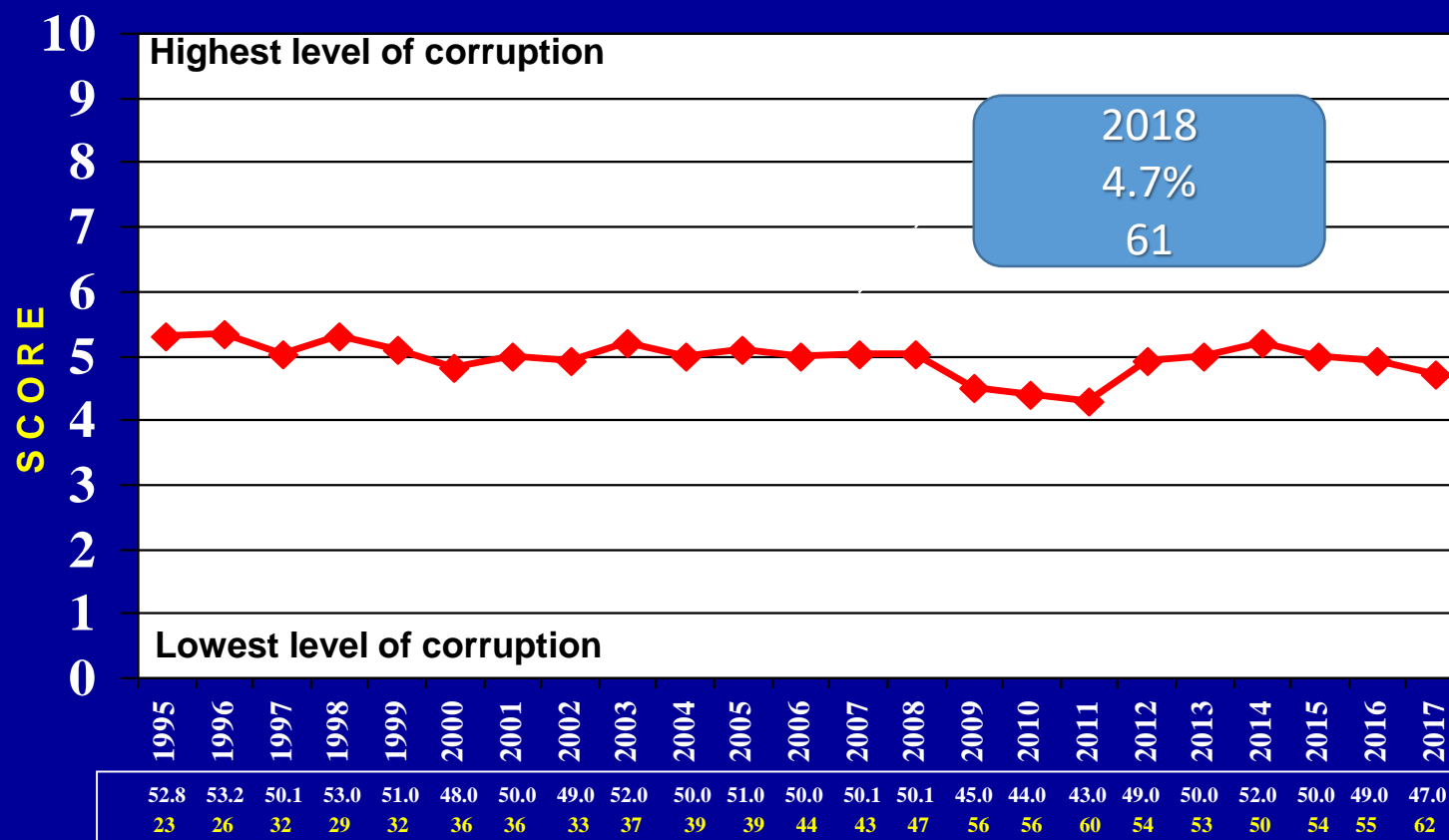# ISO 37001:2016

ANTI-BRIBERY MANAGEMENT SYSTEM (ABMS)

AN EFFECTIVE MECHANISM TO COMBAT CORRUPTION

25 MARCH 2019

FAUZIAH SULAIMAN
MANAGEMENT SYSTEM CERTIFICATION DEPARTMENT
SIRIM QAS INTERNATIONAL SDN BHD

CORRUPTION SITUATION
Perceived level of corruption for Malaysia [CPI 1995 – 2017]

SCORE

10

Highest level of corruption

2018
4.7%
61

Lowest level of corruption

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
52.8	53.2	50.1	53.0	51.0	48.0	50.0	49.0	52.0	50.0	51.0	50.0	50.1	50.1	45.0	44.0	43.0	49.0	50.0	52.0	50.0	49.0	47.0
23	26	32	29	32	36	36	33	37	39	39	44	43	47	56	56	60	54	53	50	54	55	62

The need to implement ABMS

1. Supports sustainable development goal on corruption
2. Comply with MACC (Amendment) Act 2018
3. Comply with MCCG 2017 (Malaysian Code of Corporate Governance)
4. Evidence of from" Pledge to Practice" (Pledge, CRM, CISM
5. Implement strategy 2 in NACP (clause 2.1.3)

Sustainable development goals - can **ISO standards** help?

Is **risk-based approach management system** better support sustainable development goals?

SUSTAINABLE DEVELOPMENT GOALS

The MACC (Amendment) Act 2018
Section 17 A -Corporate Liability
Subsection (5)

- Adequate Procedures
- T.R.U.S.T
- Top Level Commitment
- Risk Assessment
- Undertake Control Measures
- Systematic Review, Monitoring and Enforcement
- Training and Communication

NACP LAUNCHED 29 JAN 2019

115 anti-corruption initiatives

The NACP has set six key strategies in its plan to eradicate corruption- strengthening political integrity and accountability, efficiency in the delivery of the public sector, improving the effectiveness and transparency in public procurement, improving the credibility of the judiciary and the legal system, institutionalizing the credibility of law enforcement agencies and_promoting good governance in corporate entities.

ABMS as an Enabler to Achieve Anti-Corruption Objective

REQUIREMENTS

TOOL
ISO 37001

ACHIEVED OBJECTIVE

- United Nations Sustainable Development Goals
- United Nations Convention against Corruption (UNCAC)
- Government Commitment

- Risk-based approach
- Self-regulated
- Preventive Measures
- Continual Improvement

- *Zero tolerance to Corruption*

ISO 37001 : RISK-BASED APPROACH

Risk Assessment	Risk Treatment	Monitor & Review

Kenal pasti risiko bagi setiap aktiviti yang dijalankan

R I S K

- Tiada lagi surat sokongan sebagai arahan
- Memperkasa SPRM
- Mengembalikan kewibawaan Institusi Parlimen
- Memantapkan kebebasan Jabatan Audit Negara
- Pengisytiharan harta
- Melaporkan penerimaan hadiah
- Peruntukan undang undang *Misconduct of Public Office*
- Mewujudkan undang undang *Political Financing*
- Pengurusan Berpusat Rampasan Aset dan Pelucutan Hak

O B J E C T I V E

- Bebas rasuah

- Mencapai 21 dari 60 janji dalam manifesto
- *Zero tolerance to Corruption*

9

New Paradigm in Management System Standard

Risk based thinking

Strategic thinking

Sustainable development

Improved alignment with other management systems standards

RISK-BASED APPROACH MANAGEMENT SYSTEM

ISO 9001 : 2015   **Quality Management Systems**

ISO 14001 : 2015   **Environment Management Systems**

ISO 45001 : 2018   **Health & Safety (OH&S) Management Systems**

ISO 37001 : 2016   **Anti-Bribery Management Systems**

ISO 28000 : 2007   **Supply Chain Security Management Systems**

ISO 21001 : 2018   **Education Management Systems**

ISO 22000 : 2018   **Food Safety Management Systems**

ISO 50001 : 2018   **Energy Management Systems**

ISO 20000-1 : 2018   **IT Service Management Part 1**

ISO 39001 : 2012   **Road Safety Management Systems**

ISO 27001 : 2013   **Information Security Management Systems**

ISO 55001 : 2014   **Asset Management Systems**

All management systems supports sustainable development goals

THE ISO HIGH LEVEL STRUCTURE (HLS)

ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	ISO 37001:2016	ISO/IEC 27001:2013
0. Introduction	0. Introduction	0. Introduction	0. Introduction	0. Introduction
1. Scope	1. Scope	1. Scope	1. Scope	1. Scope
2. Normative reference	2. Normative references	2. Normative reference	2. Normative references	2. Normative references
3. Terms and definitions	3. Terms and definitions	3. Terms and definitions	3. Terms and definitions	3. Terms and definitions
4. Context of the organization	4. Context of the organization	4. Context of the organization	4. Context of the organization	4. Context of the organization
5. Leadership	5. Leadership	5. Leadership **and worker participation**	5. Leadership	5. Leadership
6. Planning	6. Planning	6. Planning	6. Planning	6. Planning
7. Support	7. Support	7. Support	7. Support	7. Support
8. Operation	8. Operation	8. Operation	8. Operation	8. Operation
9. Performance evaluation	9. Performance evaluation	9. Performance evaluation	9. Performance evaluation	9. Performance evaluation
10. Improvement	10. Improvement	10. Improvement	10. Improvement	10. Improvement

SIRIM QAS INTERNATIONAL

The Development of ISO 37001

Project Committee
ISO /PC 278

Published October 2016

ISO 19600:2014 COMPLIANCE MANAGEMENT - GUIDELINE
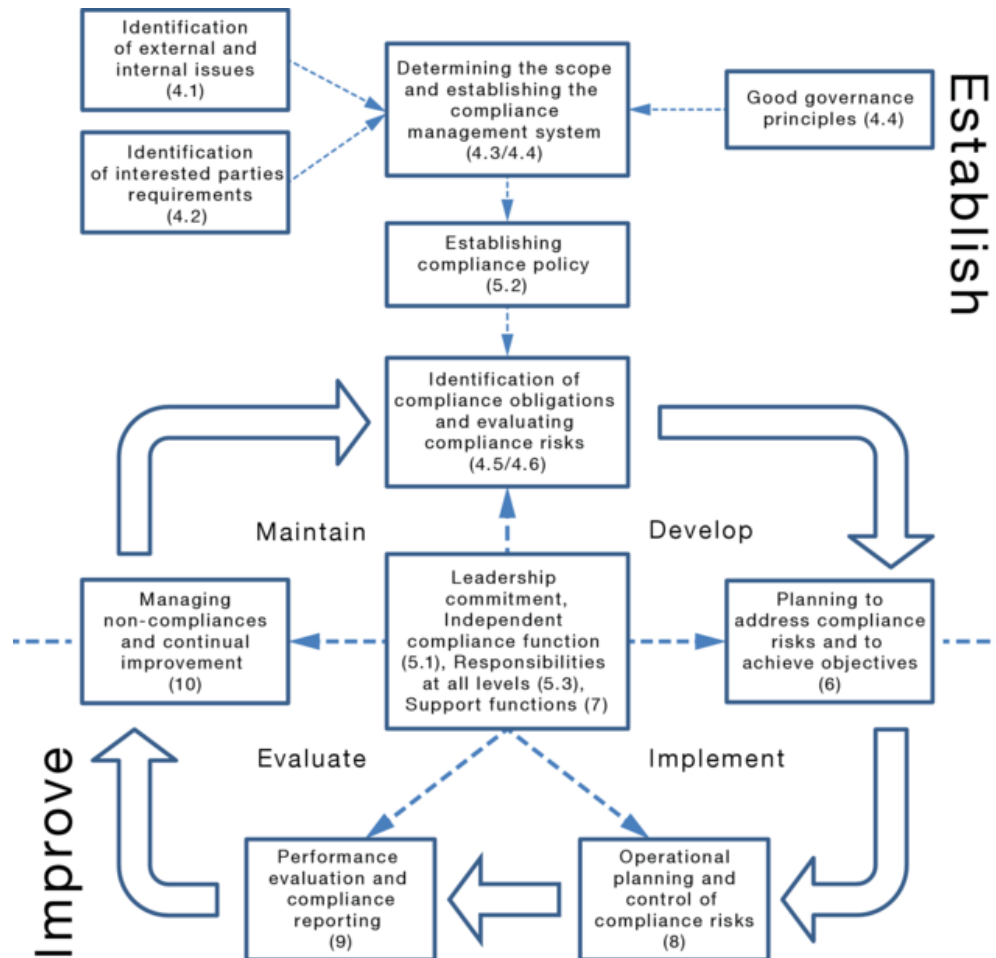
The ISO 19600 standard (December 2014) is not certifiable but provides useful guidelines for a variety of compliance needs including anti-bribery, anti-money laundering, export control. The ISO 37001 standard (October 2016) is a certifiable standard, consistent with ISO 19600 and dedicated to Anti-Bribery Management Systems.

Establish

Identification of external and internal issues (4.1)

Identification of interested parties requirements (4.2)

Determining the scope and establishing the compliance management system (4.3/4.4)

Good governance principles (4.4)

Establishing compliance policy (5.2)

Identification of compliance obligations and evaluating compliance risks (4.5/4.6)

Maintain

Develop

Managing non-compliances and continual improvement (10)

Leadership commitment, Independent compliance function (5.1), Responsibilities at all levels (5.3), Support functions (7)

Planning to address compliance risks and to achieve objectives (6)

Improve

Evaluate

Implement

Performance evaluation and compliance reporting (9)

Operational planning and control of compliance risks (8)

Values, ethics & beliefs

Compliance

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

- 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

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What is 37001?

Anti- Bribery Management System

WHAT IS ISO 37001?

- 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.

WHAT IS ISO 37001 ?

Help 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.**

SIRIM QAS INTERNATIONAL

WHAT IS ISO 37001?

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

PREVENT

DETECT

RESPOND
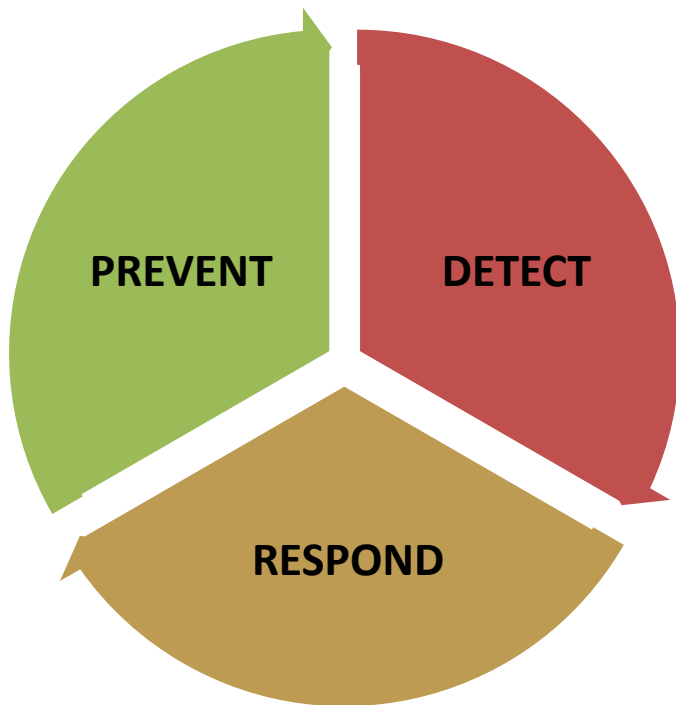
✓ **Which include**

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

SIRIM QAS INTERNATIONAL

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.

WHO CAN USE ISO 37001:2016 ?

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.

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 QMS, EMS, OSHMS, EnMS, ISMS, AMS.
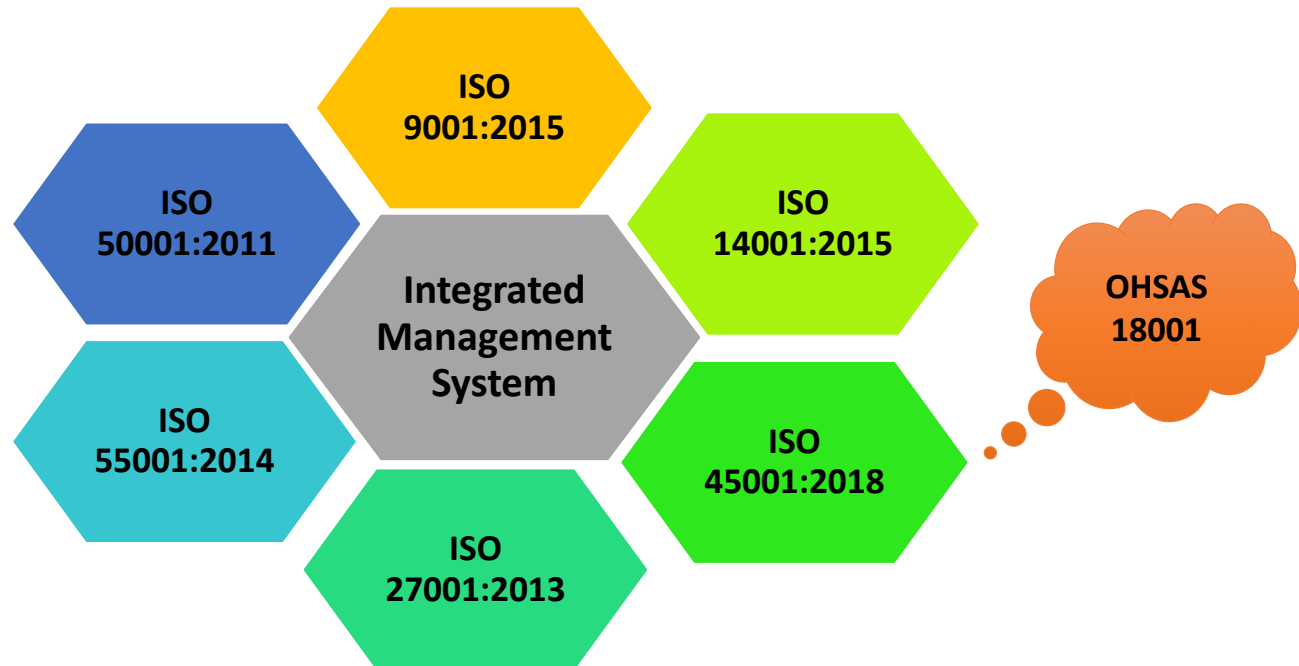
DOES THE STANDARD DEFINE BRIBERY?

- 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.

BRIBERY INVOLVES	GIVER	Valuable items Gifts Job offers Services	RECEIVER
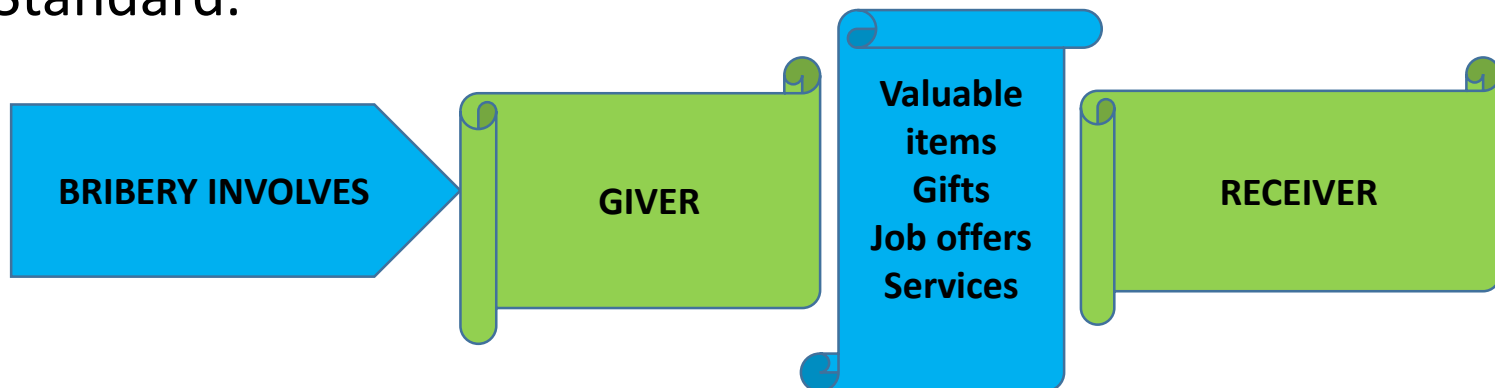
Active Bribery

- **Bribing a public official in order to:**
a) Be awarded a contract in briber's favour;
b) Obtain an inspection report or to be awarded a license;
c) Circumvent planning or safety controls.
- **Channelling bribes to win public contracts through a consultant or business associate;**
- **Payment of small bribes to public officials to expedite a process**
- **Employing a public official's son to influence award of contracts**
- **Providing sponsorship fees and excessive travel expenses to influence prescription of drugs**

Passive Bribery

- **Security** : Officer accepts a bribe from criminals to allow access for theft and other activities.

- **Procurement** : Demand a 'kickback' to award a contract. Financial loss through overpaying

- **Allocation of goods and services** : Favours a customer by expediting delivery at the expense of other customers or giving preferential allocation.

- **Recruitment** : Demand bribe to appoint or promote a person.

- **Insider Fraud** : To provide details of customers' personal date.

- **Illegal information brokering** : To provide contract specifications to be used in a tender.

✓ 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.

Law & other requirement

LAW REGULATIONS & OTHER REQUIREMENTS

- Penal Code
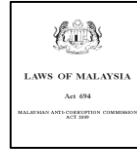
- MACC Act 2009 (ACT 694)
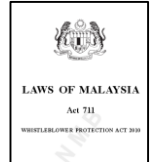
- MACC (Amendment)Act 2018 , Section 17(A), Corporate Liability

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

Related acts & documents:
- Private
- Companies Act 2016 (Act 777)
- Securities Commission Act 1993 (Act 498)
- Corporate Governance 2016 (Code of Conducts / Code of Business Ethics)

ACT & RELATED DOCUMENTS

Government –Pekeliling & Arahan –Arahan

- Arahan Perbendaharaan

- Pekeliling Perkhidmatan Bil 3, 1998 –Garispanduan pemberian & penerimaan hadiah di dalam perkhidmatan awam

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

- Peraturan pegawai awam (kelakuan dan tatatertib) 1993

ARAHAN YAB PERDANA MENTERI - NO.1 TAHUN 2014
Jun 2014

ARAHAN YAB PERDANA MENTERI - NO.1 TAHUN 2018
Jun 2018

Gerakan Pemantapan Governans, Intergriti dan Anti-Rasuah Dalam Pengurusan Pentadbiran Kerajaan Malaysia

ARAHAN YAB PERDANA MENTERI - NO.1 TAHUN 2014

KERAJAAN MALAYSIA

**ARAHAN YAB PERDANA MENTERI
NO.1 TAHUN 2014**

**GERAKAN PEMANTAPAN KEUTUHAN SISTEM
PENGURUSAN PENTADBIRAN KERAJAAN MALAYSIA:
PENUBUHAN JAWATANKUASA INTEGRITI DAN TADBIR
URUS (JITU)**

JABATAN PERDANA MENTERI
MALAYSIA

JUN 2014

2. OBJEKTIF

2.1 Objektif pemantapan keutuhan sistem pengurusan pentadbiran Kerajaan ialah:

i. Mewujudkan pentadbiran Kerajaan dan perkhidmatan awam yang cekap, berdisiplin serta mempunyai integriti yang tinggi melalui pembudayaan dan pengamalan nilai-nilai murni dan etika;

ii. Merancang dan melaksanakan tindakan-tindakan pencegahan dan pemulihan bagi mengatasi masalah-masalah dan kelemahan-kelemahan terutamanya dalam pengurusan kewangan Kerajaan, pentadbiran awam, pengendalian kes-kes tatatertib, rasuah, penyalahgunaan kuasa dan penyelewengan yang ditegah oleh agama serta perundangan dan peraturan; dan

iii. Mengenal pasti dan menyelesaikan isu-isu semasa berimpak tinggi yang merentasi agensi secara proaktif melalui mekanisme musyawarah, permuafakatan dan tindakan segera untuk rakyat.

ARAHAN YAB PERDANA MENTERI - NO.1 TAHUN 2018

KERTAS DERAF

KERAJAAN MALAYSIA

ARAHAN YAB PERDANA MENTERI
NO. 1 TAHUN 2018

GERAKAN PEMANTAPAN GOVERNANS, INTEGRITI DAN ANTI-RASUAH DALAM PENGURUSAN PENTADBIRAN KERAJAAN MALAYSIA:

PEMERKASAAN MEKANISME PENGURUSAN GOVERNANS, INTEGRITI DAN ANTI-RASUAH KEBANGSAAN

JABATAN PERDANA MENTERI
MALAYSIA

KANDUNGAN

3. OBJEKTIF

3.1 Objektif pemantapan governans, integriti dan anti-rasuah dalam sistem pengurusan pentadbiran Kerajaan ialah:

i. Memastikan kualiti sistem penyampaian perkhidmatan Kerajaan adalah berlandaskan kepada pentadbiran efektif, efisyen, berintegriti, tiada karenah birokrasi dan terhindar daripada gejala rasuah;

ii. Memastikan agenda pencegahan rasuah dilaksanakan di setiap peringkat pentadbiran Kerajaan berteraskan kepada risiko-risiko yang dikenalpasti;

iii. Merancang dan melaksanakan tindakan-tindakan pencegahan dan pemulihan bagi mengatasi masalah-masalah dan kelemahan-kelemahan dalam governans, integriti dan anti-rasuah;

iv. Mengenal pasti dan menyelesaikan isu-isu semasa yang berimpak tinggi yang merentasi agensi secara proaktif melalui mekanisme permuafakatan dan tindakan segera untuk rakyat; dan

v. Meningkatkan imej negara melalui sistem pentadbiran Kerajaan yang cekap dan berdaya saing serta menekankan aspek governans, integriti dan anti-rasuah.

PP Bil 6/2013 : PENUBUHAN UNIT INTEGRITI AGENSI

TUJUAN

1.   Pekeliling Perkhidmatan ini bertujuan untuk memaklumkan mengenai keputusan Kerajaan menubuhkan Unit Integriti sebagai *focal point* kepada pengurusan isu-isu berkaitan integriti di semua agensi awam.

LATAR BELAKANG

2.   Sistem tadbir urus sektor awam yang terbaik dan budaya kerja berkualiti merupakan landasan penting dalam meningkatkan keyakinan rakyat terhadap keupayaan Kerajaan melaksanakan dasar yang dimandatkan. Dalam hubungan ini, Kerajaan akan terus mengambil langkah untuk memantapkan integriti bagi menentukan penjawat awam menjunjung dan menegakkan prinsip integriti serta akauntabiliti ke arah mencapai sistem penyampaian awam yang lebih cemerlang.

Penubuhan Unit Integriti merupakan usaha kawalan dalaman oleh agensi untuk menguruskan integriti dalam organisasi. 6 fungsi teras seperti berikut:

a) **Tadbir Urus**
Memastikan tadbir urus yang terbaik dilaksanakan;

b) **Pengukuhan Integriti**
Memastikan pembudayaan, penginstitusian dan pelaksanaan integriti dalam organisasi;

c) **Pengesanan dan Pengesahan**

i)   Mengesan dan mengesahkan aduan salahlaku jenayah serta pelanggaran tatakelakuan dan etika organisasi serta memastikan tindakan susulan yang sewajarnya diambil; dan

ii) Melaporkan salahlaku jenayah kepada agensi penguatkuasaan yang bertanggungjawab;

d) **Pengurusan Aduan**
Menerima dan mengambil tindakan ke atas semua aduan/maklumat mengenai salahlaku jenayah serta pelanggaran tatakelakuan dan etika organisasi;

e) **Pematuhan**
Memastikan pematuhan terhadap undang-undang dan peraturan yang berkuatkuasa; dan

f) **Tatatertib**
Melaksanakan fungsi urus setia Lembaga Tatatertib.

Success Story…

PILOT PROGRAMME WORKSHOPS

COMPANIES CERTIFIED TO ISO 37001 in 2017

No.	Company name
1	Majlis Perbandaran Seberang Perai
2	Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA)
3	Pihak Berkuasa Tempatan Pengerang
4	Top Glove Sdn. Bhd.
5	Petroliam Nasional Berhad
6	Lembaga Tabung Haji
7	Jabatan Pengangkutan Jalan
8	Agensi Kelayakan Malaysia (MQA)
9	Jabatan Imigresen Malaysia
10	Majlis Perbandaran Subang Jaya
11	Yayasan Pahang

CERTIFIED IN 2018 & 2019

NO.	COMPANY NAME
1	Puspakom Sdn. Bhd.
2	Mass Rapid Transit Corporation Sdn. Bhd. (MRT Corporation Sdn. Bhd.)
3	Majlis Daerah Cameron Highlands
4	Tenaga Nasional Berhad
2019	
1	KLCC Project
2	MISC Berhad
3	Jabatan Ketua Menteri Melaka
4	Institut Pengurusan Integriti Melaka (INSPIM)
5	Phamaniaga Logistics

Certification Process

CERTIFICATION PROCESS

Application → Stage 1 Audit → Stage 2 Audit → Certification

Once a Year

Surveillance Audit

Certificate valid for three (3) years

THE CERTIFICATE

CERTIFICATION MARK

ANTI-BRIBERY

SIRIM

CERTIFIED TO ISO 37001:YYYY
CERT. NO. : XXXXXX

Thank you

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- **You Tube**: *https://www.youtube.com/SIRIMQASInternational*
- **Linkedin**: *https://www.linkedin.com/SIRIMQASInternational*
-

OUTCOME

AN INTEGRITY CULTURE

Walk with integrity