

INTRODUCTION TO ANTI-BRIBERY MANAGEMENT SYSTEM (ABMS)

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Outline of Presentation

Session 1: Introduction to ABMS

Session 2: MS ISO 37001:2016 Requirements Part 1

Session 3: MS ISO 37001:2016 Requirements Part 2

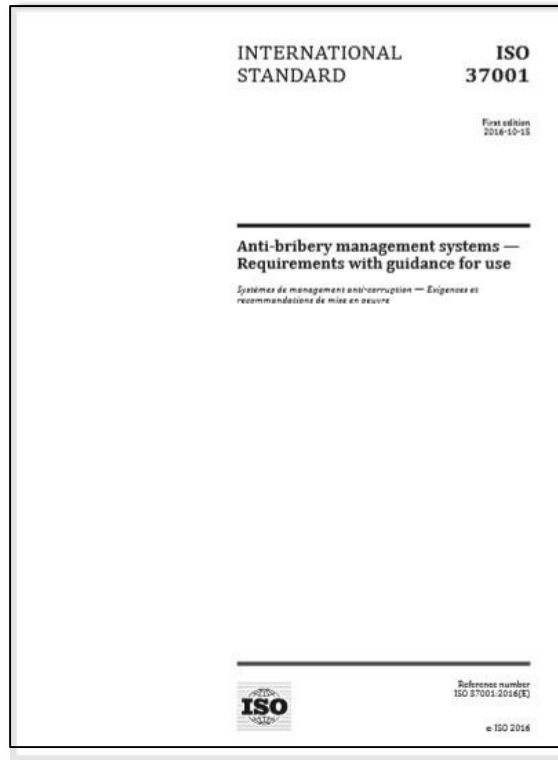


Introduction



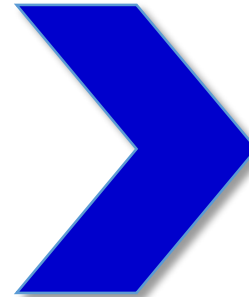
ISO 37001:2016 – Anti-Bribery Management Systems

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INTERNATIONAL

Adopted
as
Malaysian
Standard-
2017



MALAYSIA

What is an Anti-Bribery Management Systems?

- is designed to instil an anti-bribery culture within an organization and implement appropriate controls, which will in turn increase the chance of detecting bribery and reduce its incidence in the first place.
- is also design to guide organization to prevent, identify, detect and respond to bribery and to comply with laws, regulations and other voluntarily commitments.
- includes a series of measures and controls that represent global anti-bribery good practice

THE STANDARD WAS RELEASED AND PUBLISHED ON OCTOBER 14, 2016

– 47TH WORLD STANDARD DAY 2016

(Published by STANDARDS MALAYSIA in 2017)

Who is MS ISO 37001:2016 for?

The requirements of ISO 37001 are generic and are intended to be applicable to all organizations (or parts of an organization), regardless of type, size and nature of activity, and whether in the public, private or not for profit sectors. This includes state-owned enterprises, large organizations, SMEs and non-governmental organizations.

Definition of Bribery (reference: ISO37001:2016)

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 **(3.1.6)** of that person's duties.

Definition of Bribery (reference: ISO37001:2016)

- This document does not specifically address fraud, cartels and other anti-trust/competition offences, money-laundering or other activities related to corrupt practices, although an organization can choose to extend the scope of the management system to include such activities.

IS IT A BRIBERY?

Situation A:

A contractor had paid RM248,000 over the past four years, and it began after he applied for and won a tender to build telecommunication towers in Terengganu and Kelantan. The contractor paid a senior officer in a government agency because the officer claimed he had helped him win the tender. The project was worth RM31million in total.

IS IT BRIBERY?

Situation B

You have been invited to speak at a prestigious conference. At the end of the conference, the conference organiser gave you an envelope with RM500 as a gesture of appreciation. The honorarium (a payment for giving speech) was not agreed upon prior to the conference.

Why We Need the Anti-Bribery Management System (ABMS) in Organization?

- Identify and manage bribery by establishing risk-based anti-bribery management systems.
- Increase awareness of bribery's impacts on the organization
- Enhance an organization's reputation and image by assuring legal compliance.
- Demonstrate a benchmark of good practice in anti-bribery management systems.
- Demonstrate an organization's commitment to anti-bribery practices.
- Provide confidence and trust to potential partners.



High-Level Structure (HLS)

- A set of 10 clauses that all ISO management system standards are required to use.
- The High-Level Structure will **ensure** that **future management standards support each other**.
- They will be easier to read and understand, and it will aid greatly in the integration of multiple standards within one organization.

	ISO 9001:2015	ISO 45001:2018	ISO 37001:2016
01	Scope	Scope	Scope
02	Normative reference	Normative reference	Normative reference
03	Terms and definitions	Terms and definitions	Terms and definitions
04	Context of the organization	Context of the organization	Context of the organization
05	Leadership	Leadership and Worker Participation	Leadership
06	Planning	Planning	Planning
07	Support	Support	Support
08	Operation	Operation	Operation
09	Performance Evaluation	Performance Evaluation	Performance Evaluation
10	Improvement	Improvement	Improvement

REQUIREMENTS OF ISO 37001:2016

Plan

4 Organization

- 4.1 Context
- 4.2 Needs and expectations of stakeholders
- 4.3 Scope of the ABMS
- 4.4 Anti-bribery management system
- 4.5 Bribery risk management

5 Leadership

- 5.1 Leadership and commitment
- 5.2 Anti-bribery policy
- 5.3 Organizational roles, responsibilities and authorities

7 Support

- 7.1 Resources
- 7.2 Competence
- 7.3 Awareness and training
- 7.4 Communication
- 7.5 Documented information

Act

10 Improvement

- 10.1 Nonconformity and corrective action
- 10.2 Continual improvement

6 Planning

- 6.1 Actions to address risks and opportunities
- 6.2 Anti-bribery objectives and planning to achieve them

Check

9 Performance Evaluation

- 9.1 Monitoring, measurement, analysis and evaluation
- 9.2 Internal audit
- 9.3 Management review
- 9.4 Review by anti-bribery compliance function

Do

8 Operation

- 8.1 Operational planning and control
- 8.2 Due diligence
- 8.3 Financial controls
- 8.4 Non-financial controls
- 8.5 Implementation of anti-bribery controls by controlled organizations and by business associates
- 8.6 Anti-bribery commitments
- 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

Clause 4:

Context of the Organization

Clause 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 locations and sectors in which the organization operates or anticipates operating
- 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

Clause 4.1 Understanding the Organization and Its Context

No.	External / Internal Factors	Actual situations of Organization based on the factor	Issue	Bribery Risk
a)	Size, structure & delegated decision making authority of the organization	<ul style="list-style-type: none"> - 25 subsidiaries - 200 branches nationwide - Board of Directors appointed are politician who are directly involved in making decisions in the organization 	<ul style="list-style-type: none"> - Difficulties in monitoring, - Lack of integrity 	Inclination towards: <ul style="list-style-type: none"> - Abuse of power - Political Exposed Person - Collusion
b)	Locations and sectors that the organization operates	Location: <ul style="list-style-type: none"> - Malaysia, UK, Australia, Bahamas, Korea Sectors: <ul style="list-style-type: none"> - Investment 	<ul style="list-style-type: none"> - Lack of integrity and control 	<ul style="list-style-type: none"> - Gift & bribery offering & acceptance
c)	Nature, scale & complexity of activities & operation	Diverse Investment portfolio: <ul style="list-style-type: none"> - Plantation, banking, property, Oil & Gas, Hospitality, Travel, IT 	<ul style="list-style-type: none"> - Existing ecosystem that prone to bribery an too complex 	<ul style="list-style-type: none"> - Collusion - Abuse of power

Clause 4.1 Understanding the Organization and Its Context

No.	External / Internal Factors	Actual situations of Organization based on the factor	Issue	Bribery Risk
d)	Organization business model	The mission statement: <ul style="list-style-type: none"> - To remain active in seeking strategic investments locally and globally to ensure sustainable growth - Excellent services - To provide competitive returns 	<ul style="list-style-type: none"> - Unclear direction - Lack of integrity 	<ul style="list-style-type: none"> - Gift & bribery offering & acceptance - Abuse of power
e)	Entities that the company controls & entities that have control over the organization	Company controls – subsidiaries & suppliers and external providers Entity that controls organization – Minister	<ul style="list-style-type: none"> - Lack of integrity - Wahyu - Political interference 	<ul style="list-style-type: none"> - Gift & bribery offering & acceptance, - Collusion - Politically exposed person - Abuse of power
f)	Organization's business associates	Local government agencies, Investment consultants, Bank	<ul style="list-style-type: none"> - Personal gain - Lack of integrity - Lack of internal control 	<ul style="list-style-type: none"> - Gift & bribery offering & acceptance, collusion, misappropriation, - Politically Exposed Person, Abuse of power

Clause 4.1 Understanding the Organization and Its Context

No.	External / Internal Factors	Actual situations of Organization based on the factor	Issue	Bribery Risk
g)	Nature & extend of interaction with public officials	High interaction with public officials in doing business: <ul style="list-style-type: none"> - Immigration: Visa clearance & travel into and out of country related activities - Embassy: - LHDN: Tax related activities - BNM: Compliance related issues 	<ul style="list-style-type: none"> - Lack of integrity - Personal gain 	<ul style="list-style-type: none"> - Gift & bribery offering & acceptance - Politically Exposed Person, Abuse of power
h)	Applicable statutory, regulatory, contractual & professional obligations & duties	Refer Legal Register	<ul style="list-style-type: none"> - Unclear law & regulations - Foreign Law - Political interference - Unclear agreement 	<ul style="list-style-type: none"> - Noncompliance - Leakage of information - Misappropriation

Clause 4.2 Understanding the Needs and Expectations of Stakeholders

The organization **shall** determine:

- a) The stakeholders that are relevant to the anti-bribery management system
- b) The relevant requirements of these stakeholders.

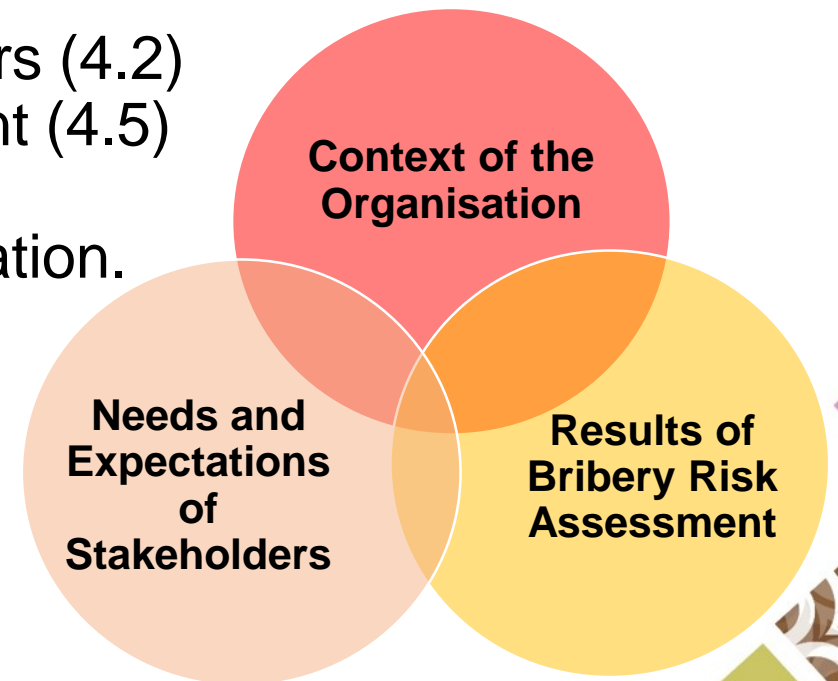


Clause 4.3 Determining the Scope of the Anti-bribery Management System

In determining the scope of the ABMS, the organization **shall** determine the boundaries and applicability of the ABMS. Shall consider:

- External and internal issues (4.1)
- Relevant requirements of stakeholders (4.2)
- Results of the bribery risk assessment (4.5)

Scope shall be available as documented information.



Clause 4.4 Anti-bribery Management System

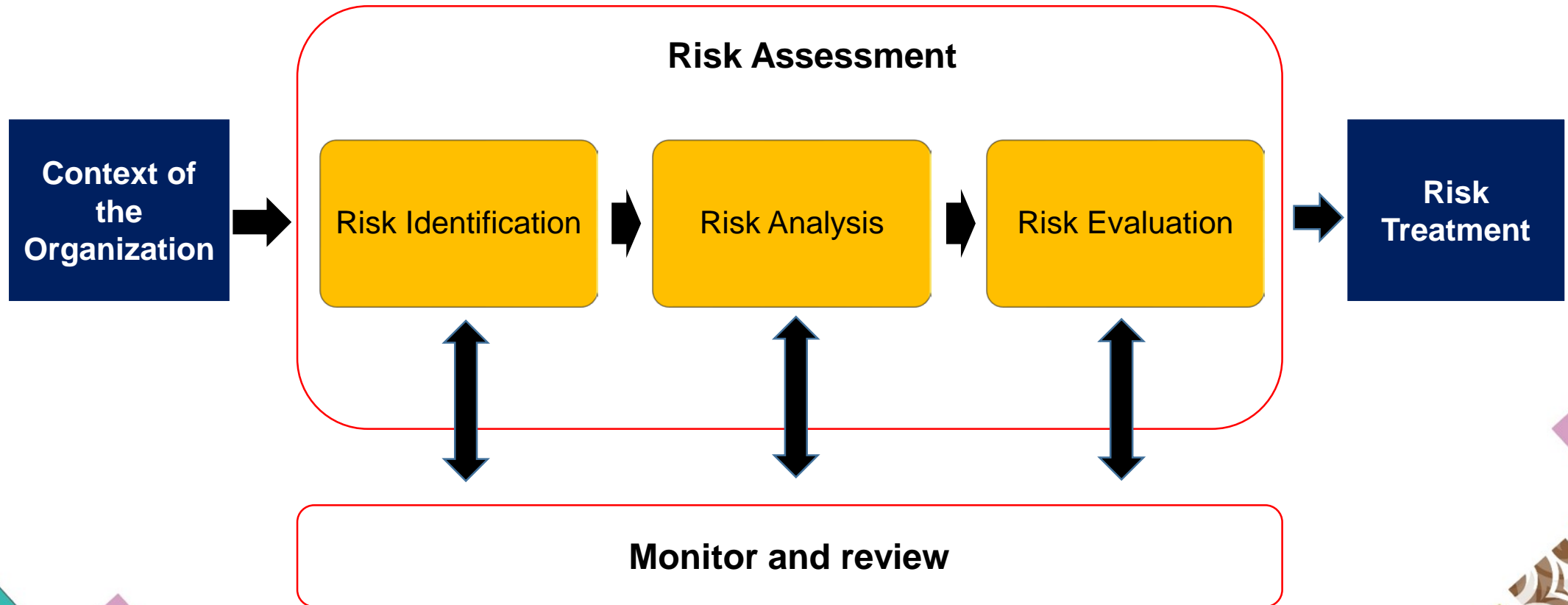
The organization **shall** establish, document, implement, maintain and continually review and, where necessary, improve an ABMS, including the processes needed and their interactions

The ABMS shall contain measures designed to identify and evaluate the risk of, and to prevent, detect and respond to, bribery.

Example:

An Organizational-wide Process Map indicating the processes and activities within the scope of ABMS

Clause 4.5 Bribery Risk Assessment



Clause 5:

Leadership



5.1



Leadership and Commitment

5.2



Anti-bribery Policy

5.3



**Organizational Roles,
Responsibilities and Authorities**

Clause 5.1.1 Governing Body

A group or body having
ultimate responsibility and
authority for an
organization's activities

(refer to ISO37001:2016 Terms and
definitions)

Example:
***Board of Directors, Council
members, Supervisory board***



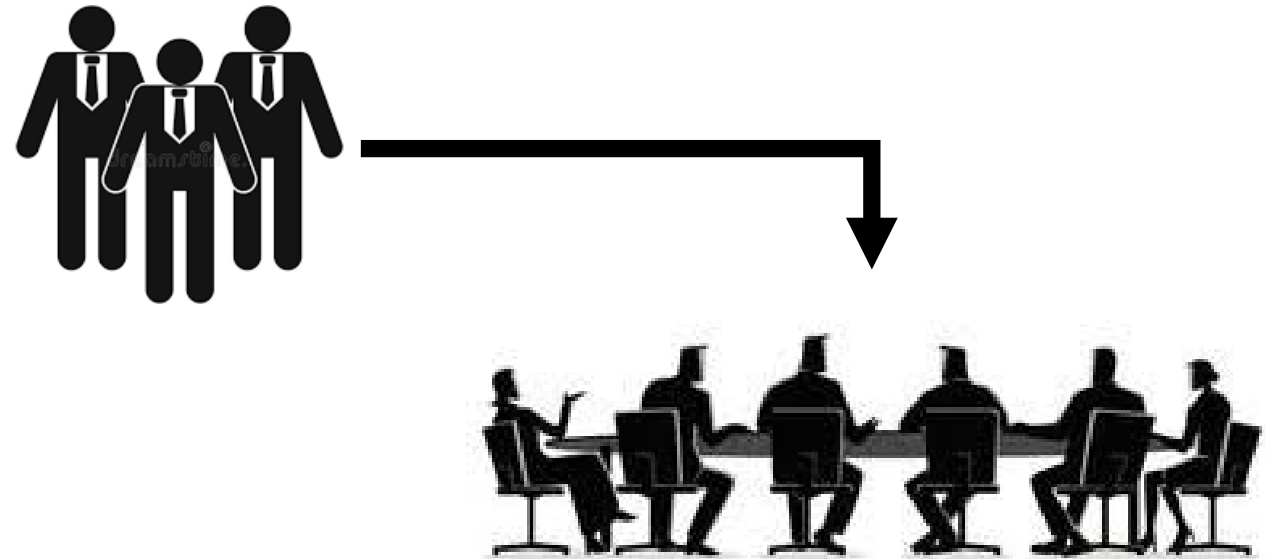
Clause 5.1.1 Governing Body (Cont...)

When the organization has an governing body, that body **shall** demonstrate leadership and commitment with respect to the ABMS by:

- a) Approving the organization's anti-bribery policy;
- b) Ensuring that the organization's strategy and anti-bribery policy are aligned;
- c) At planned intervals, receiving and reviewing information about the content and operation of the organization's ABMS;
- d) Requiring that adequate and appropriate resources needed for effective operation of the ABMS are allocated and assigned;
- e) Exercising reasonable oversight over the implementation of the organization's ABMS by top management and its effectiveness

Clause 5.1.2 Top Management

A person or a group of people who directs and controls an organization at the highest level.
(refer to ISO 37001:2016 Terms and definitions)



- Top management report to the governing body
- Top management is held accountable by governing body

Clause 5.1.2 Top Management (Cont...)

Top management **shall** demonstrate leadership and commitment by:

- a. Ensure that the ABMS, including policy and objectives are established and maintained;
- b. Ensure the integration of the ABMS requirements into the organization's processes;
- c. Deploy adequate and appropriate resources for the effective operation of the ABMS;
- d. Communicate internally and externally regarding the anti-bribery policy;
- e. Communicate internally the importance of effective anti-bribery management and of conforming to the ABMS requirements;
- f. Ensure that the ABMS is appropriately designed to achieve its objectives;

Clause 5.1.2 Top Management (Cont...)

Top management **shall** demonstrate leadership and commitment by: (continue)

- g. Direct and support personnel to contribute to the effectiveness of the ABMS;
- h. Promote an appropriate anti-bribery culture within the organization;
- i. Promote continual improvement;
- j. Support other relevant management roles to demonstrate their leadership in preventing and detecting bribery;
- k. Encourage the use of reporting procedures for suspected and actual bribery
- l. Ensure that no personnel will suffer retaliation, discrimination disciplinary action for reports made in good faith
- m. At planned intervals, reporting to the governing body (if any) on the content and operation of the ABMS and of allegations of serious or systematic bribery.

Clause 5.2 Anti-bribery Policy

Top management **shall** establish, maintain and review an anti- bribery policy that:

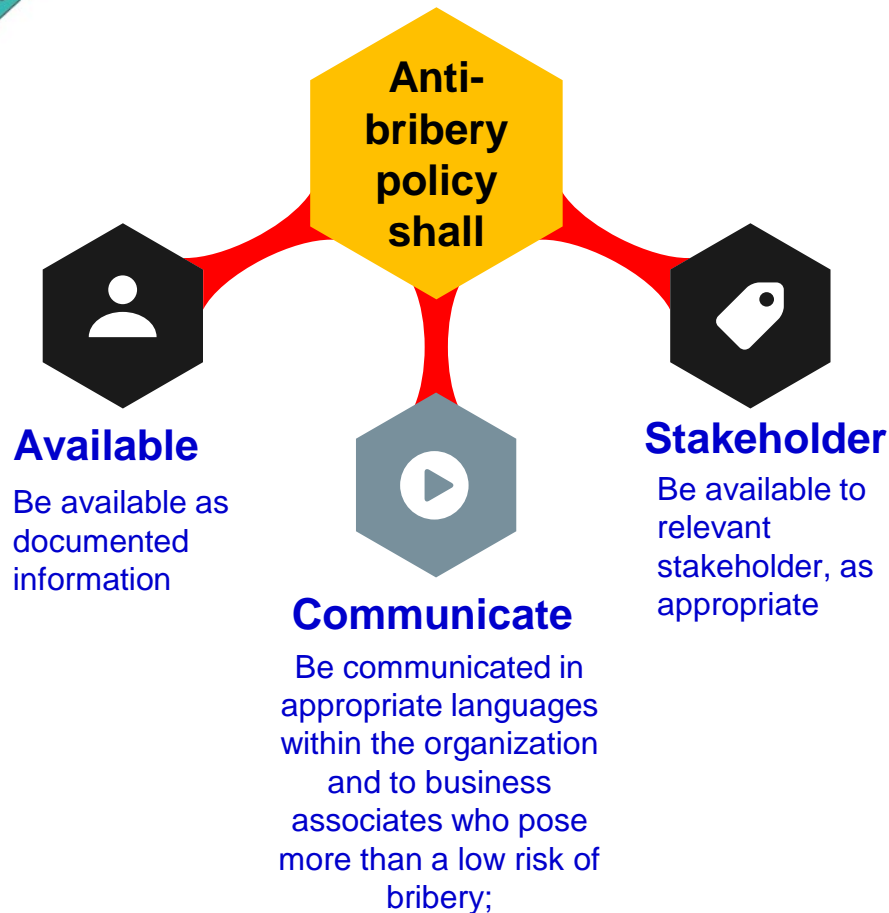
- a. Prohibits bribery;
- b. Requires compliances with anti-bribery laws that are applicable to the organization;
- c. Is appropriate to the purpose of the organization
- d. Provides a framework for setting, reviewing and achieving anti-bribery objectives;
- e. Includes a commitment to satisfy anti-bribery

Clause 5.2 Anti-bribery Policy (Cont...)

Top management **shall** establish, maintain and review an anti- bribery policy that: (continue)

- f. Encourages raising concerns in good faith, or on the basis of a reasonable belief confidence, without fear of reprisal;
- g. Includes of commitment to continual improvement of the ABMS;
- h. Explains the authority and independence of the anti-bribery compliance function;
- i. Explains the consequences of not complying with the anti bribery policy

Clause 5.2 Anti-bribery Policy (Cont...)



ABC Company is committed not to engage in bribery by:

- Working together to create a bribery-free business environment and achieving its anti-bribery objectives;
- Supporting anti-bribery principles for Malaysian companies in business dealings and interactions with business partners and government agencies;
- Compliance with laws and regulations relating to the fight against bribery and corruption;
- Meeting the requirements of the Anti-Bribery Management System (ABMS) and implementation of continuous improvement;
- Promoting the values of transparency and good corporate governance;
- Establishing Integrity Department which is responsible for anti-bribery compliance in the organization.

Employees who do not comply with this Anti-Bribery Policy will face disciplinary actions based on the Code of Conduct and criminal charges according to the enforcement legislations.

Clause 5.3.1 Roles and Responsibilities

- Top management **shall** have overall responsibility for the implementation and compliance of the ABMS.
- Top management **shall** ensure that the responsibilities and authorities for relevant roles are assigned and communicated within and throughout every level of the organization.
- Managers at every level **shall** be responsible for requiring that the ABMS requirements are applied and complied with in their department or function.
- The governing body, top management, and all other personnel **shall** be responsible for understanding, complying with and applying the ABMS requirements, as they relate to their roles in the organization.



Clause 5.3.2 Anti-bribery Compliance Function

Top management **shall** assign to an anti-bribery compliance function with responsibility and authority for:

- a. Overseeing the design and implementation by the organization of the ABMS;
- b. Providing advice and guidance to personnel on the ABMS and issues relating to bribery;
- c. Ensuring that the ABMS conforms to requirements of ISO 37001:2016;
- d. Reporting on the performance of the ABMS to governing body and top management

Clause 5.3.2 Anti-bribery Compliance Function (Cont...)

The function **shall** be adequately resourced and assigned to person(s) who have the appropriate competent, status, authority and independence.

The function **shall** have direct and prompt access to the governing body and top management in the event that any issue or concern needs to be raised in relation to bribery or the ABMS.

Top management can assign some or all of the function to persons external to the organization. If it does, top management **shall** ensure that specific personnel have responsibility for, and authority over, those externally assigned parts of the function.

Clause 5.3.2 Anti-bribery Compliance Function (Cont...)

Compliance Function?

Someone or a group who possess the followings:

- Competence
- Status
- Authority
- Independence

Responsibilities and authorities:

- Overseeing ABMS implementation
- Providing advice and guidance to staff on ABMS
- Ensuring ABMS conforms to the requirements of the standard
- Reporting to top management and governing body.



Clause 5.3.3 Delegated Decision-Making

For high-risk bribery, top management **shall** establish and maintain a decision-making process or set of controls.

The level of authority **shall** be appropriate and free of actual or potential conflicts of interest.

The processes and compliances **shall** be reviewed periodically by top management.



Clause 6: Planning

Clause 6.1 Actions to Address Risks and Opportunities

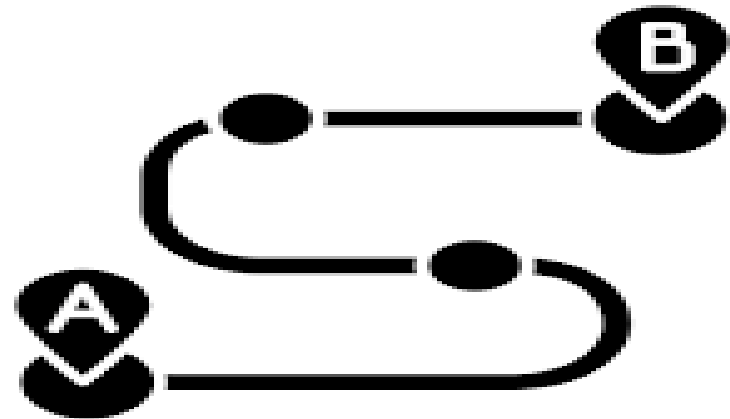
When planning for ABMS, the organization **shall** consider:

- External and internal factors determined in context of organization (4.1)
- Requirements of stakeholders as determined (4.2)
- Bribery risk assessment and their effective control (4.5)
- Opportunities for improvement that need to be addressed to:
 - a. give reasonable assurance that the ABMS can achieve its objectives;
 - b. prevent, or reduce, undesired effects relevant to the anti-bribery policy and objectives;
 - c. monitor the effectiveness of the ABMS;
 - d. achieve continual improvement.

Clause 6.1 Actions to Address Risks and Opportunities (Cont...)

The organizations **shall** plan:

- actions to address these bribery risks and opportunities for improvement;
- how to integrate and implement these actions into the ABMS processes, and to evaluate the effectiveness of these actions.



Clause 6.1 Actions to Address Risks and Opportunities (Cont...)

Example

RISK	Use of middle man to bribe public official			RISK ID:	001
Risk analysis	<input checked="" type="radio"/> Controllable	<input checked="" type="radio"/> On-going	Interconnect to other risks?		
	<input type="checkbox"/> Uncontrollable	<input type="checkbox"/> Discrete			
	<input type="checkbox"/> Combination				
Risk Treatment Strategy:				Risk Category:	Strategic
<input type="checkbox"/> Terminate <input checked="" type="checkbox"/> Reduce Risk <input type="checkbox"/> Accept <input type="checkbox"/> Transfer				Risk Owner:	Stakeholders, Board, CEO
				Assessment date: 25 May 2015	Next assessment date: 30 September 2015
Impact:	Moderate	Likelihood:	Moderate	Risk Rating:	Significant
Target Impact:	Moderate	Target Likelihood:	Unlikely	Target Risk Rating:	Moderate
High level action plan to be considered			Responsibility		Target date for detailed plan
1. To conduct detailed background checks on joint ventures and agents (2, 3)			Board, CEO, Tender Committee		September 30
2. To develop policies over the prohibition of using agent or middleman (2, 3, 4)			Board, CEO, Integrity Committee,		September 30

Clause 6.2 Anti-bribery Objectives and Planning to Achieve Them

The organization **shall** establish ABMS objectives at relevant functions and levels.

The ABMS objectives **shall**:

- a. consistent with anti-bribery policy;
- b. be measurable (if practicable);
- c. take into account of context of organization, needs & expectations of stakeholders and bribery risks identified;
- d. be achievable;
- e. be monitored;
- f. be communicated; and
- g. be updated as necessary.

Clause 6.2 Anti-bribery Objectives and Planning to Achieve Them (Cont...)

- The measurable and achievable anti-bribery objectives need to be consistent with the policy, monitored and updated as appropriate.
- The documented information on the anti-bribery objectives shall be retained.
- When planning how to achieve anti-bribery objectives, the organization shall determine what will be achieved, what resources will be needed, who will be responsible, when objectives will be achieved and how the results will be evaluated and reported.

Clause 6.2 Anti-bribery Objectives and Planning to Achieve Them (Cont...)

No	Objectives	KPI	Indicator	Control Points	Person in Charge	Achievement	Improvement Action
1.	Bribery case	0 case	1. = 0 case - achieved 2. 1 to 2 cases - need improvement 3. > 2 cases – system review	Conduct integrity programmes to staff at least 4 times per year.	Compliance function		
2.	Resolve disciplinary cases within 3 months from the receipt of report	100%	1. 96% - 100%: Achieved 2. 80% - 95%: Need improvement 3. <80%: system review	1. Establishment of relevant procedures. 2. Provision of adequate personnel to speed up investigation process.	Compliance function		

CLAUSE 7:

Support

Clause 7.1 Resources

The organization **shall** provide the necessary resources needed for the establishment, implementation, maintenance and continual improvement of the ABMS.



3 types of resources to consider in supporting the implementation of ABMS

Clause 7.2.1 General (Competence)

The organization **shall**:

- a. determine the necessary competence of person(s) doing work under its control that affects its anti-bribery performance;
- b. Ensure that these persons are competent on the basis of appropriate education, training, or experience;
- c. Where applicable, take actions to acquire and maintain the necessary competence, and evaluate the effectiveness of the actions taken;
- d. Retain appropriate documented information as evidence of competence.

Clause 7.2.2 Employment Process (7.2.2.1)

In relation to all of its personnel, the organization **shall** implement procedures such that:

- a. conditions of employment require personnel to comply with the anti-bribery policy and ABMS, and give the organization the right to discipline personnel in the event of non-compliance;
- b. within a reasonable period of their employment commencing, personnel receive a copy of, or are provided with access to, the anti-bribery policy and training in relation to that policy;

Organization must provide sufficient awareness / training to all employees on anti-bribery policy and AMBS generally

Clause 7.2.2 Employment Process (7.2.2.1) (Cont...)

In relation to all of its personnel, the organization **shall** implement procedures such that:

- c. the organization has procedures which enable it to take appropriate disciplinary action against personnel who violate the anti-bribery policy and ABMS;



Clause 7.2.2 Employment Process (7.2.2.1) (Cont...)

In relation to all of its personnel, the organization **shall** implement procedures such that:

- d. Personnel will not suffer retaliation, discrimination or disciplinary action (eg. by threats, isolation, demotion, preventing advancement, transfer, dismissal, bullying, victimization, or other forms of harassment for:
- refusing to participate in, or turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery that has not been mitigated by the organization; or
 - concerns raised or reports made in good faith, or on the basis of a reasonable belief, of attempted, actual or suspected bribery or violation of the anti-bribery policy or the anti-bribery management system (except where the individual participated in the violation).

Clause 7.2.2 Employment Process (7.2.2.2)

In relation to all positions which are exposed to more than a low bribery risk, as determined in the bribery risk assessment and to the anti-bribery compliance function, the organization shall implement procedures which provide that:

- a. Due diligence is conducted on persons before they are employed, and on personnel before they are transferred or promoted by the organization, to ascertain as far as is reasonable that it is appropriate to employ or redeploy them and that it is reasonable to believe that they will comply with the anti-bribery policy and ABMS;



Clause 7.2.2 Employment Process (7.2.2.2) (Cont...)

- b. Performance bonuses, performance targets and other incentivizing elements of remuneration are review periodically to verify that there reasonable safeguards in place to prevent them from encouraging bribery;
- c. Such personnel, top management, and the governing body, file a declaration at reasonable intervals proportionate with the identified bribery risk, confirming their compliance with the anti-bribery policy.



9. Background Checks

We conduct a thorough reference, criminal, and credit check .

Eg: MACC, PDRM Malaysia



9. Background Checks
We conduct a thorough reference, criminal, and credit check .

Clause 7.3 Awareness and Training

The organization **shall** provide training and appropriate awareness to the personnel, including business associates acting on its behalf or for its benefit:

- a. anti-bribery policy, procedure and ABMS and their duty to comply;
- b. the bribery risk and the damage to them and the organization which can result from bribery;
- c. the circumstances in which bribery can occur;
- d. how to recognize and respond to solicitation or offer of bribes;



Clause 7.3 Awareness and Training (Cont...)

The organization **shall** provide training and appropriate awareness to the personnel, including business associates acting on its behalf or for its benefit:
(continue)

- e. how they can prevent and avoid bribery;
- f. their contribution to the effectiveness of ABMS;
- g. the implications and potential consequences of not conforming with ABMS requirements;
- h. how and whom to report any concern;
- i. information on available training and resources

Clause 7.3 Awareness and Training (Cont...)

- Personnel **shall** be provided with anti-bribery awareness and training on a regular basis, as appropriate to their roles, the risks of bribery to which they are exposed.
- The awareness and training programs **shall** be periodically updated.
- The organization **shall** implement procedures addressing anti-bribery awareness and training for business associates acting on its behalf or for its benefit.
- The organization **shall** retain documented information on the training procedures, the content of training, and when and to whom it was provided.

Clause 7.4 Communication (7.4.1)

The organization **shall** determine the internal and external communication relevant to the ABMS including:

- a. on what it will communicate;
- b. when to communicate;
- c. with whom to communicate;
- d. how to communicate;
- e. who will communicate;
- f. the languages in which to communicate.



Clause 7.4 Communication (7.4.2)

The anti-bribery policy **shall** be made available to all the organisation's personnel and business associate, be communicated directly to both personnel and business associates who pose more than a low risk bribery, and **shall** be published through the organization's internal and external communication channels, as appropriate.



Clause 7.5.1 General (Documented information)



The organization's ABMS **shall** include:

- a. Documented information required by MS ISO37001:2016;
- b. Documented information determined by the organization as being necessary for the effectiveness of ABMS.

Clause 7.5.2 Creating and Updating (Documented Information)

When creating and updating documented information the organization **shall** ensure appropriate:

- a. identification and description (eg. a title, date, author or reference number;
- b. format (eg. language, software version, graphics) and media (eg. paper, electronic);
- c. review and approval for suitability and adequacy.

Clause 7.5.3 Control of Documented Information (Documented Information)

Documented information required by the ABMS **shall** be controlled to ensure:

- a. It is available and suitable for use, where and when it is needed;
- b. It is adequately protected.

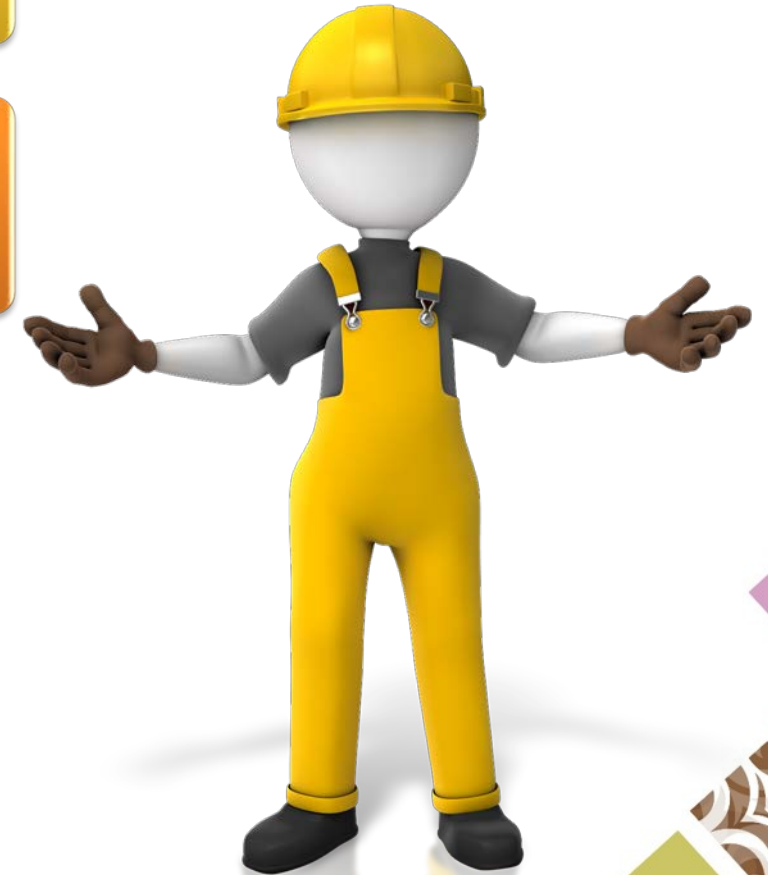
For the control of documented information, the organization **shall** address the following activities, as applicable:

- Distribution, access, retrieval and use;
- Storage and preservation, including preservation of legibility;
- Control of changes;
- Retention and disposition.

CLAUSE 8:

Operation

Clause 8 Operation



Clause 8.1 Operational Planning and Control

The organization **shall** plan, implement, monitor and control the processes needed to meet the requirements of the ABMS and to implement actions to address bribery risks and opportunities by:

- establishing criteria for the processes;
- implementing control of the processes in accordance with the criteria;
- keeping documented information to the extent necessary to have confidence that the processes have been carried out as planned.

These processes shall include the specific controls referred to in 8.2 to 8.10.

The organization shall control planned changes and review the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary.

The organization shall ensure that outsourced processes are controlled.



Clause 8.2 Due Diligence

Where the organization's bribery risk assessment, as conducted in 4.5, has assessed a more than low bribery risk in relation to:

- specific categories of transactions, projects or activities,
- planned or on-going relationships with specific categories of business associates,
- specific categories of personnel in certain positions.

The organisation **shall** assess the nature and extent of the bribery risk in relation to specific transactions, projects, activities, business associates and personnel in certain position that are categorised in the more than low bribery risk as a result of the bribery risk assessment conducted.

This assessment **shall** include any due diligence necessary to obtain sufficient information to assess the bribery risk. The due diligence **shall** be updated at a defined frequency, so that changes and new information can be properly taken into account.

Clause 8.3 Financial Controls

The organisation **shall** implement financial controls that manage bribery risk.

The objective of financial controls implemented is to ensure that organization manages its financial transaction properly and record these transaction accurately, completely and in a timely manner.

Separation of duties, tiered level of authority for payment approvals, 2 signatures on payment approvals, request of supporting documents as evidence prior approving payment, implement periodic and independent financial audits

Clause 8.4 Non-Financial Controls

The organisation **shall** implement non-financial controls that manage bribery risk respect to such areas as procurement, operational, sales, commercial, human resources, legal and regulatory activities to ensure that these activities are properly managed.

Usage of approved suppliers that have undergone pre-qualifying process and due diligence, transparent tender process for awarding contracts, requires at least 2 person to evaluate tenders and approve contract, implement separation of duties, requires at least 2 signatures on contracts, usage of checklists, forms, etc.

Clause 8.5 Implementation Of Anti-bribery Controls By Controlled Organizations And By Business Associates (8.5.1)

The organization **shall** implement procedures which require that all other organizations over which it has control either:

- a. Implement the organization's ABMS, or
- b. Implement their own anti-bribery controls.



Clause 8.5 Implementation Of Anti-bribery Controls By Controlled Organizations And By Business Associates (8.5.2)

In relation to business associates not controlled by the organization for which the bribery risk assessment or due diligence has identified a more than low bribery risk, and where anti-bribery controls implemented by the business associates would help mitigate the relevant bribery risk, the organization **shall** implement procedures as follows:

- a. The organization **shall** determine whether the business associate has in place anti-bribery controls which manage the relevant bribery risk;

Clause 8.5 Implementation Of Anti-bribery Controls By Controlled Organizations And By Business Associates (8.5.2) (Cont...)

- b. Where a business associate does not have in place anti-bribery controls, or it is not possible to verify whether it has them in place:
 - 1) where practicable, the organization **shall** require the business associate to implement anti-bribery controls in relation to the relevant transaction, project or activity; or
 - 2) where it is not practicable to require the business associate to implement anti-bribery controls, this **shall** be a factor taken into account in evaluating the bribery risk of the relationship with the business associate and the way in which the organization manages such risk.

Clause 8.6 Anti-bribery Commitments

For business associates which pose more than a low bribery risk, the organization **shall** implement procedures which require that, as far as practicable:

- a. Business associate commit to preventing bribery by, on behalf of, or for the benefit of the business associate in connection with the relevant transaction, project, activity, or relationship;
- b. The organization is able to terminate the relationship with the business associate in the event of bribery, on behalf of, or for benefit of the business associate in connection with the relevant transaction, project, activity, or relationship.

Where it is not practicable to meet the requirements of a) or b) above, this shall be a factor taken into account in evaluating the bribery risk of the relationship with this business associate (see 4.5 and 8.2) and the way in which the organization manages such risks

Clause 8.7 Gifts, Hospitality, Donations And Similar Benefits

The organization **shall** implement procedures that are designed to prevent the offering, provision or acceptance of gifts, hospitality, donations and similar benefits where the offering, provision or acceptance is, or could reasonably be perceived as bribery.



Clause 8.8 Managing Inadequacy Of Anti-bribery Controls

Where the due diligence (see 8.2) conducted on a specific transaction, project, activity or relationship with a business associate establishes that the bribery risks cannot be managed by existing anti-bribery controls, and the organization cannot or does not wish to implement additional or enhanced anti-bribery controls or take other appropriate steps (such as changing the nature of the transaction, project, activity or relationship) to enable the organization to manage the relevant bribery risks, the organization shall:

- in the case of an existing transaction, project, activity or relationship, take steps appropriate to the bribery risks and the nature of the transaction, project, activity or relationship to terminate, discontinue, suspend or withdraw from it as soon as practicable;
- in the case of a proposed new transaction, project, activity or relationship, postpone or decline to continue with it.

Clause 8.9 Raising Concerns

The organization **shall** implement procedures which:

- a. Encourage and enable persons to report in good faith or on the basis of a reasonable belief attempted, suspected and actual bribery, or any violation of or weakness in the ABMS, to the anti-bribery compliance function or to appropriate personnel;
- b. Except to the extent required to progress an investigation, require that the organization treats reports confidentially, as to protect the identity of the reporter and of others involved or referenced in the report;
- c. Allow anonymous reporting;

Clause 8.9 Raising Concerns

The organization **shall** implement procedures which: (continue)

- d. Prohibit retaliation, and protect those making reports from retaliation, after they have in good faith, or on the basis of a reasonable belief, raised or reported a concern about attempted, actual or suspected bribery or violation of the anti-bribery policy or the ABMS;
- e. Enable personnel to receive advice from an appropriate person on what to do if faced with a concern or situation which could involve bribery.

The organization **shall** ensure that all personnel are aware of the reporting procedures and are able to use them, and are aware of their rights and protections under the procedures.

WHISTLEBLOWING

Whistleblowing
Act

Act 711 Whistleblower
Protection Act



Protection Act

Act 696 - Witness
Protection Act 2009



Action

- Act 694 MACC
- Arahan YAB PM No.1 Tahun 2018 Mekanisme Pengurusan Governans, Integriti Dan Anti-Rasuah Kebangsaan
- Anti Bribery Manual

Clause 8.10 Investigating And Dealing With Bribery

The organization **shall** implement procedures that:

- a. Require assessment and, where appropriate, investigation of any bribery, or violation of the anti-bribery policy or the ABMS, which is reported, detected or reasonably suspected;
- b. Require appropriate action in the event that the investigation reveals any bribery, or violation of the anti-bribery policy or the ABMS;
- c. Empower and enable investigators;
- d. Require co-operation in the investigation by relevant personnel;

Clause 8.10 Investigating And Dealing With Bribery

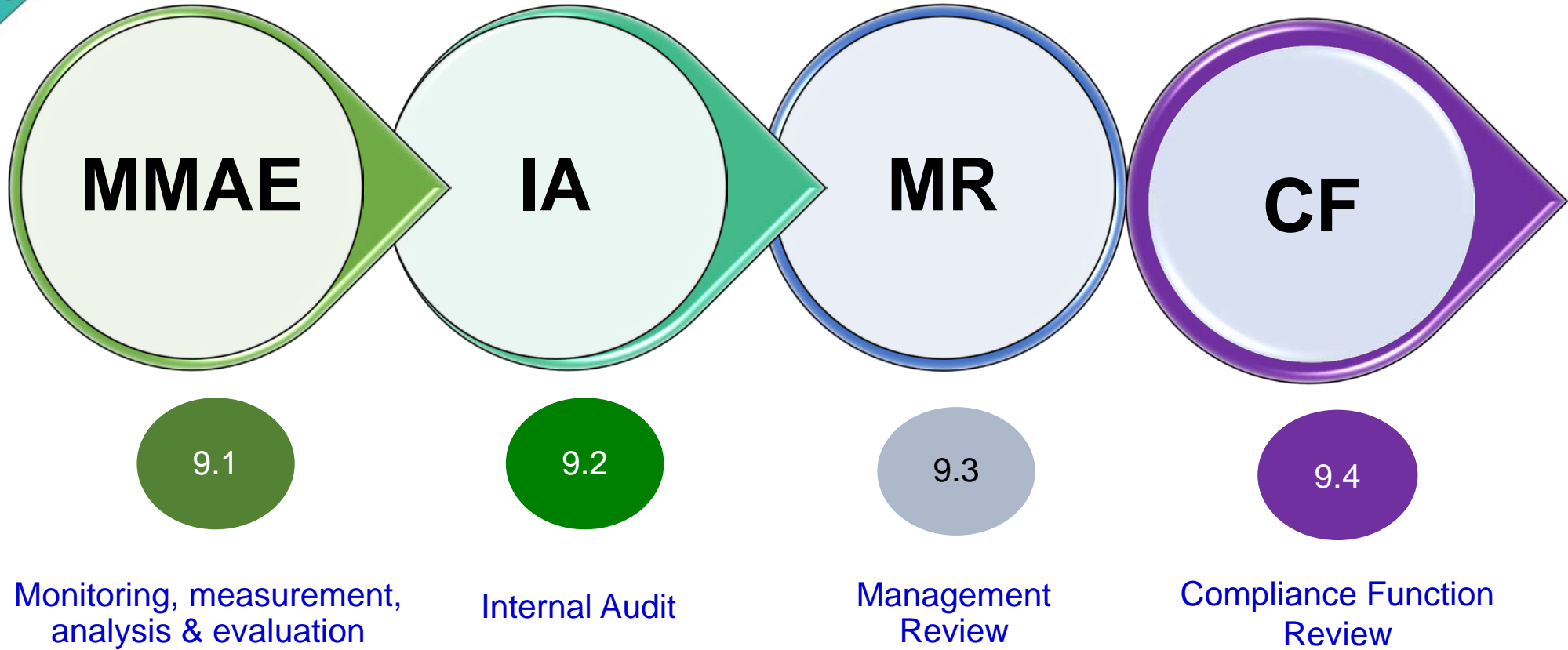
The organization **shall** implement procedures that: (continue)

- e. Require that the status and results of the investigation are reported to the anti-bribery compliance function and other compliance function, as appropriate;
- f. Require that the investigation is carried out confidentially and that the outputs of the investigation are confidential.

The investigation **shall** be carried out by, and reported to, personnel who are not part of the role or function being investigated. The organization can appoint a business associate to conduct the investigation and report the result to personnel who are not part of the role or function being investigated.

CLAUSE 9:

Performance Evaluation



Clause 9.1 Monitoring, Measurement, Analysis and Evaluation

The organization **shall** monitored:

- a. what needs to be monitored and measured;
- b. who is responsible for monitoring;
- c. the methods for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results;
- d. when the monitoring and measuring **shall** be performed;
- e. when the results from monitoring and measurement **shall** be analysed and evaluated;
- f. to whom and how such information **shall** be reported.

Clause 9.1 Monitoring, Measurement, Analysis and Evaluation

The organization **shall** retain appropriate documented information as evidence of the methods and results.

The organization **shall** evaluate the anti-bribery performance and the effectiveness and efficiency of the ABMS.

Data analysis on ABMS indicators such as performance of anti-bribery objectives.

Clause 9.2 Internal Audit (9.2.1)

The organisation **shall** conduct Internal audits at planned intervals to provide information on whether the ABMS:

- a) conforms to:
 - i. the organisation's own requirement for its ABMS;
 - ii. the requirements of this document;
- b) is effectively implemented and maintained.

Procedure Internal Audit, ABMS Internal Audit Plan, Audit Checklist & Notes, Audit Report, NCRs and OFIs.

Clause 9.2 Internal Audit (9.2.2)

The organisation **shall**:

- a. Plan, establish, implement and maintain an audit programme(s), including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned and the results of previous audits;
- b. define the audit criteria and scope for each audit; and conduct audits;
- c. select competent auditors and conduct audits to ensure objectivity and the impartiality of the audit process;
- d. ensure that the result of the audits are reported to relevant management, the anti-bribery compliance function top management and, as appropriate, the governing body (if any);
- e. retain documented information as evidence of the implementation of the audit programme and the audit results.

Clause 9.2 Internal Audit (9.2.3)

These audits **shall** be reasonable, proportionate and risk-based. Such audits shall consist of internal audit processes or other procedures which review procedures, controls and system for:

- a) bribery or suspected bribery;
- b) violation of the anti-bribery policy or anti-bribery management system requirements;
- c) failure of business associates to conform to the applicable anti-bribery requirement of the organisation;
- d) weaknesses in, or opportunities for improvement to the ABMS.

Clause 9.2 Internal Audit (9.2.4)

To ensure the objectivity and impartiality of these audit programmes, the organisation shall ensure that these audits are undertaken by one of the following:

- a. an independent function or personnel established or appointed for this process; or
- b. the anti-bribery compliance function (unless the scope of the audit includes an evaluation of the anti-bribery management system itself, or similar work for which the anti-bribery compliance function is responsible); or
- c. an appropriate person from a department or function other than the one being audited; or

Clause 9.2 Internal Audit (9.2.4)

To ensure the objectivity and impartiality of these audit programmes, the organisation **shall** ensure that these audits are undertaken by one of the following:

- d. an appropriate third party; or
- e. group comprising any of (a) to (d).

The organisation **shall** ensure that no auditor is auditing his/her own area of work.

Clause 9.3.1 Top Management Review

Top management **shall** review the organisation's ABMS, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness.

The top management review **shall** include consideration of:

- a. the status of action from previous management reviews;
- b. changes in external and internal issues that are relevant to the ABMS;
- c. information on the performance of the ABMS, including trends in:
 - i. non-conformities and corrective actions;
 - ii. monitoring and measurement results;
 - iii. audit results;
 - iv. report of bribery;
 - v. investigations;
 - vi. the nature and extent of the bribery risks faced by the organisation;

Clause 9.3.1 Top Management Review

- d. effectiveness of action taken to address bribery risks;
- e. opportunities for continual improvement of the ABMS.

The outputs of the top management review **shall** include decisions related to continual improvement opportunities and any need for changes to the ABMS.

A summary of the results of the top management review shall be reported to the governing body (if any).

The organisation **shall** retain documented information as evidence of the results of top management reviews.

Clause 9.3.2 Governing Body Review

The governing body (if any) **shall** undertake periodic reviews of the ABMS based on information provided by top management and the anti-bribery compliance function and any other information that the governing body requests or obtains.

The organisation **shall** retain summary documented information as evidence of the results of governing body reviews.



Clause 9.4 Review by Anti-bribery Compliance Function

The anti-bribery compliance function **shall** assess on a continual basis whether the ABMS is:

- a. adequate to manage effectively the bribery risks faced by the organization;
- b. being effectively implemented.

The anti-bribery compliance function **shall** report at planned intervals, and on an ad hoc basis, as appropriate, to the governing body (if any) and top management, or to a suitability committee of the governing body or top management, on the adequacy and implementation of the ABMS, including the results of investigations and audits.

CLAUSE 10:

Improvement

Clause 10.1 Nonconformity and Corrective Action

When a nonconformity occurs, the organisation **shall**:

- a. react promptly to the nonconformity, and as applicable:
 - 1) take action to control and correct it;
 - 2) deal with the consequences;
- b. evaluate the need for action to eliminate the cause(s) of the nonconformity, in order that it does not recur or occur elsewhere, by:
 - 1) reviewing the nonconformity;
 - 2) determining the causes of the nonconformity;
 - 3) determining if similar nonconformities exist, or could potentially occur;

Clause 10.1 Nonconformity and Corrective Action

- c. implement any action needed;
- d. review the effectiveness of any corrective action taken;
- e. make changes to the ABMS, if necessary.

Corrective actions **shall** be appropriate to the effects of the nonconformities encountered.

The organization **shall** retain documented information as evidence of:

- The nature of the nonconformities and any subsequent actions taken;
- The result of any corrective action.

Clause 10.2 Continual Improvement

The organization **shall** continually improve the suitability, adequacy and effectiveness of the ABMS.



IMPROVEMENT

ESSENTIAL ELEMENTS FOR SUCCESSFUL ABMS

Top Management Commitment

Bribery risk assessment

Anti-bribery culture

**Implementations of effective
controls and monitoring**

Communication

Due Diligence assessment

Effective internal audits

**Effective investigation and
corrective action process**



Q & A

THANK YOU



"Committed To Engineering Excellence"

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