

	K.K.I.P. SDN. BHD. (Co. No. 199301026828 (281566-D)) A wholly-owned company of the State Governemnt of Sabah
	ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

Table of Content

1. Introduction
2. Timeline of K.K.I.P. SB's Key Anti-Corruption Initiatives
3. Review of relevant data points 2020 to date
4. Objectives of OACP
5. Framework to Achieve Objectives of OACP: Strategies and Action Plan
6. Implementation, Monitoring and Evaluation
7. Conclusion

1. INTRODUCTION

- 1.1 In 2019, the National Anti-Corruption Plan (NACP) was launched with the aim of building a corrupt-free nation that upholds transparency and accountability. In March 2019, the Prime Minister's Directive No.1, entitled "Reinforcing Governance, Integrity, and Anti-Corruption in the Malaysian Government Administration – Implementing the National Anti-Corruption Plan" was issued.
- 1.2 The National Anti-Corruption Plan, under Section 6.2.1, requires all State-owned enterprise /GLCs and companies under regulatory bodies to develop an Organisational Anti-Corruption Plan (OACP).
- 1.3 The OACP intended to assist the Company in developing its anti-corruption strategy. An OACP is a document that addresses challenges in governance, corruption, and integrity issues. It sets out the problem statement, approach to be taken, and relevant programs and activities, which are then integrated to create a coordinated picture of the way forward the company should take to achieve success in preventing, detecting, and responding to corruption challenges.
- 1.4 The key components of OACP include:
 - a) Approval from the top.
 - b) Analysis of soft data, hard data – corruption issues and level of integrity
 - c) Identification of corruption risks.
 - d) Determination of priority areas and scenario planning; and
 - e) Strategies, Action Plan, and Mechanism for Monitoring and Evaluation

2. APPROVAL FROM THE TOP

Timeline of the Company's key Anti-Corruption initiatives: -

- 2.1 On 2 July 2013, the Company became a signatory of the Corporate Integrity Pledge.
- 2.2 In year 2020, the Integrity Committee was established. The Secretariat of the Committee is personnel in the Human Resource Unit.

	K.K.I.P. SDN. BHD. (Co. No. 199301026828 (281566-D)) A wholly-owned company of the State Governemnt of Sabah
	ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

- 2.3 The members of the Integrity Committee attended session or workshop organized by Ministry of Industrial Development (MID).
- 2.4 On June 10, 2021, the Anti-Corruption Guidelines and the Whistle Blowing Policies and Procedures were approved by the Board of Directors for implementation.

The overall administration of these initiatives was placed under the Integrity Committee; with an active Secretariat handled by Human Resource personnel. (Please refer to **Attachment 1** – Terms of Reference of Integrity Committee)

3. ANALYSIS OF SOFT DATA, HARD DATA

- 3.1 During the workshop session organized by the Ministry of Industrial Development; it was agreed that the following areas have high corruption risks:
 - a) Procurement
 - b) Management and Professionalism: Organizational Culture
 - c) Management and Professionalism: Internal Review, Control and Compliance
- 3.2 Mini Employee Survey (conducted by the Integrity Committee Secretariat unofficially) revealed that there is a need to increase awareness of the potential corruption risks areas within the respective units within this organization.
- 3.3 Internal Audit reports (although not specific on corruption) revealed that:-
 - a) Need to strengthen compliance with various SOPs.
 - b) Need to improve processes.
 - c) Need to enhance the control process.

In essence, broad issues and challenges to guide strategies under this OACP:

- a) More focus is required on the communication level to heighten awareness of corruption risks and on the newly adopted (approved on 10 June 2021) Anti-Corruption Guidelines and implementation of the Whistle Blowing Policies and Procedures.
- b) Culture of high integrity and ethics; where the newly approved Code of Ethics & Code of Conduct (approved on 10 June 2021) need to be communicated and ingrained in all employees.
- c) Establishment of a dedicated function within the Human Resource Unit as the Secretariat of the Integrity Committee to ensure the effectiveness of the Integrity Committee's functions and activities as well as to plan, strategies, implement, monitor, and evaluate (a) and (b) above.

	K.K.I.P. SDN. BHD. (Co. No. 199301026828 (281566-D)) A wholly-owned company of the State Governemnt of Sabah
	ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

4. OBJECTIVES OF OACP

The main objective of OACP is towards the inculcation of a high standard of integrity and governance to improve efficiency and transparency.

5. FRAMEWORK TO ACHIEVE OBJECTIVES OF OACP: STRATEGIES, ACTION PLAN

5.1 Procurement

	Strategy	Objective	Action Plan	By	Time line
1	Improving efficiency, transparency, and Integrity in Procurement Processes	To make sure that all procurement processes have closed the gap for bribery and no opportunity for bribery.	a) To commence the signing of the Integrity Pact amongst the staff with first batch shall be staff that are involved directly in the Procurement Process b) To work with units that are directly involved in the various levels of procurement eg Office Services, respective Head of Departments, Quotation Committee, and Tender Committee's secretariat to ensure compliance with the SOPs (Finance's SOP No. 23 and SOP No. 24) c) To work with units that are directly involved in the various levels of procurement eg Office Services, respective Head of Departments, Quotation Committee, and Tender Committee's secretariat in identifying & mitigating possible corruption risks	a) Finance / Project Costing b) Internal Audit	06 months

	K.K.I.P. SDN. BHD. (Co. No. 199301026828 (281566-D)) A wholly-owned company of the State Governemnt of Sabah
	ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

	Strategy	Objective	Action Plan	By	Time line
			d) Monitor & Closure Audit Findings related to Procurement		

5.2 Organizational Culture

	Strategy	Objective	Action Plan	By	Time line
2	Strengthening Organizational Culture of Integrity	To improve and enhance staff awareness on Integrity	a) To monitor compliance Code of Ethics and Code of Conduct KKIP Sdn Bhd and Group. b) To launch ethics tag line of R I T E ie R – Respect, I – Integrity, T – Teamwork, E - Excellence c) To adopt elements of the Company's Anti-Corruption Guidelines and internal and external business affairs. d) To ensure, encourage, and monitor the implementation of Whistle Blowing Policies and procedures	Human Resource	1 year

	K.K.I.P. SDN. BHD. (Co. No. 199301026828 (281566-D)) A wholly-owned company of the State Governemnt of Sabah
	ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

5.3 Control and Compliance

	Strategy	Objective	Action Plan	By	Time line
3	Ensuring adequate risk assessment on corruption is performed	To make sure that no corruption arises due to weakness/loophole in the processes area.	a) To improve competencies and to carry out systematic Corruption Risks Assessment b) To improve the competencies of the Secretariat of JAR to guide and to facilitate systematic Corruption Risks Assessment and to document them properly. c) To institute properly the carrying out of functions and activities expected from the Integrity Committee; which may lead to the establishment of the full fledge on Integrity Unit to implement and monitor anti-corruption across the company and group.	Secretariat	1 year

6. CONCLUSION

The successful implementation of the OACP and its continuing effectiveness will largely depend on the commitment of the leadership (note: each staff with supervisory roles are leader). This requires hands-on management, follow-up action, and full compliance. Other critical factors are the continuous support and participation of officers of all levels and all staff of the organization; who must regard the need to improve governance, internalize integrity, and fight corrupt practices as part of the company's wide agenda and national agenda.