

SEMINAR PENGURUSAN CEMERLANG II

“Kemahiran Pengurusan Asas Keutuhan Organisasi”

KERTAS KERJA 2

“AKAUNTABILITI DAN INTEGRITI DALAM PENGURUSAN”

Oleh:

Y.Bhg. Datuk Dr. Sulaiman Mahbob
Presiden
Institut Integriti Malaysia

TARIKH:

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TEMPAT:

Paradise Sandy Beach Resort, Pulau Pinang



ANJURAN:
Persatuan Pegawai Tadbir & Ikhtisas (PERPATI)
Universiti Utara Malaysia



**AKAUNTABILITI DAN INTEGRITI
DALAM PENGURUSAN**

Oleh
DATUK SULAIMAN MAHBOB
PRESIDEN
INSTITUT INTEGRITI MALAYSIA

Seminar Pengurusan Cemerlang II, UUM
Paradise Sandy Beach Resort, Pulau Pinang
30 July 2005

LESSONS FROM HISTORY

"I have been given authority over you but I am not the best of you. If I do well, help me, and if I do ill, then put me right. Trust consists in loyalty and falsehood in treachery. The weak among you shall be strong in my eyes until I wrest the right from him Obey me as long as I obey God and His Apostle, and if I disobey them, you owe me no obedience...."

*-- Caliph Abu Bakar
(Inaugural Speech)*

**FUNDAMENTAL PRINCIPLES OF
ISLAMIC GOVERNANCE**

- **Reliance on people with expertise**
- **Avoidance of nepotism**
- **The importance of Consultation**
- **Proper planning, systems and procedures**

- Establish Audit Committee to be chaired by independent member
- Avoid conflict of interest (Arms-length dealing)
- Establish the policy for transparent procedures and systems
- Establish open tender systems
- Respect business ethics and intellectual property

NATIONAL INTEGRITY PLAN

LAUNCHED BY
Y.A.B PRIME MINISTER
24 APRIL 2004

The overall objective of the NIP is to realize the aspirations of Vision 2020, that is, to become a fully developed country and “to establish a fully moral and ethical society whose citizens are strong in religious and spiritual values and imbued with the highest ethical standards”.

**THE SPECIFIC OBJECTIVES
OF THE NIP**

- Giving direction and guidance to various sectors so that they will work together to build a united, harmonious, moral and ethical society;
- Raising the level of awareness, commitment, and cooperation among all sectors in their efforts at enhancing integrity so that integrity becomes a way of life and practiced in all fields;

- Encouraging a sense of responsibility among members of the community and promoting the development of civil society that respects and upholds the principles of integrity;
- Strengthening the moral foundations of the community and the country, and improving the well-being of the people;
- Raising Malaysia's competitiveness and resilience in meeting the challenges of the twenty first century, especially the challenges of globalization.

TARGET 2008

- **Effectively reduce corruption, malpractices and abuse of power;**
- **Increase efficiency in the public service delivery system and overcome bureaucratic red tape;**

-- Enhance corporate governance and business ethics;

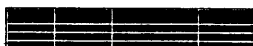
-- Strengthen the family institution; and

-- Improve the quality of life and people's well-being

THE COMPONENTS OR INSTITUTIONS INVOLVED IN THE MOVEMENT TO ENHANCE INTEGRITY

- **Family**
- **Community**
- **Civil Society**
- **Socio-culture**
- **Religion**
- **Economy**
- **Politics**
- **Administration**

Malaysian Ranking of Corruption Perception Index Developed by Transparency International



ECONOMIC INSTITUTION

Objective:

- Enhancing the integrity of the corporate sector
- Enhancing corporate social responsibility and accountability
- Widening and strengthening good business ethics
- Strengthening the unity between the different ethnic groups and regions through economic activities

Strategies:

- Strengthen corporate sector integrity
- Promote and strengthen business ethics
- Strengthen cooperation among all sectors through the concept of Malaysia Incorporated in promoting integrity
- Strengthen cooperation between corporations and trade unions
- Continue with the social justice programmes involving various ethnic groups and between regions

TARGET 3 - ENHANCE CORPORATE GOVERNANCE AND BUSINESS ETHICS

- Increase in compliance of the conditions set by Malaysia Securities Exchange Berhad (MSEB) by companies;
- Reduction in cases of corporate fraud;
- Increase in the number of open tenders undertaken in a transparent manner and reduction in the number of negotiated tenders

- Adherence to Rukuniaga Malaysia by the business sector;
- Reduction in cases of violation of the Consumer Protection Act 1999; and
- Other benchmarkings used by national and international agencies, wherever relevant

ECONOMIC INSTITUTION
Strategy 1: Strengthen corporate sector integrity

No	Programme/ Activity	Objectives	Target Groups	Implementing Agency (See Glossary)
1.	Introduce the system of the triple bottom line. In addition to financial report and occupational safety report, companies should also introduce self disclosure report on corporate activities	- To improve transparency and accountability in corporate management	-Board of Directors and company management board	-Malaysian Companies Commission -SC -BMM -Board of Directors and Company management board
2.	Create the post of the Chief Ethical Officer in each corporation	-To ensure corporate compliance with regulations	-All corporate bodies	-Board of Directors and Company Board of Management
3.	Implement the Performance Management System for top management	-To enhance accountability among top management	-All corporate sectors	-Board of Directors and Company Board of Management
4.	Conduct training on ethics and integrity for management staff at all levels	-To enhance appreciation and practice integrity	-All corporate bodies	-Board of Directors and Company Board of Management

5.	Set up integrity awards for companies and for corporate leaders who are exemplary in upholding integrity	-To give recognition and encourage learning from role models	-All corporate bodies	-Federal Government -Employers' Organisations
6.	Uphold the practice of open and consultative management	-To encourage management with integrity	-All corporate bodies	-Management Board and Company Management
7.	Ensure enforcement and monitoring of best practices in corporate governance by corporate bodies	-To ensure effective corporate governance	-All corporate bodies	-Regulatory bodies such as the Security Commission and BNM
8.	Review the current practice of appointing independent auditors by the companies themselves; appointment should be done by the Companies Commission of Malaysia or by an independent body consisting of representatives of various parties	-To ensure transparency in audit management -To avoid malpractices	-All corporate bodies	-BMM -Auditor General -Ministry of Finance

- Effective communication;
- Conducive cultural environment;
- Cooperation between politics and the administration machinery;

- Effective legal framework and independent judiciary;
- Adequacy and efficacy of resources; and
- Readiness of individuals to change.

SUPPORT FROM TOP LEADERSHIP

Special Cabinet Committee on Integrity in Government Management, which is chaired by the Rt. Hon. Prime Minister.

IIM

**SEMIAN
TERIMA KASIH**

"PELAN INTEGRITI NASIONAL"

**MEMBUDAYAKAN INTEGRITI
MASYARAKAT MALAYSIA**

INSTITUT INTEGRITI MALAYSIA
