

# Government Transformation Programme's Corporate Integrity Pledge

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## CORPORATE INTEGRITY SYSTEM

The signing of the Corporate Integrity Pledge (CIP) is only the first step for business entities as they will then have to take several steps to ensure that they comply with the pledge. The first stage is a self-assessment process where companies will develop an assessment and improvement plan to strengthen their own integrity system. The plan will then be implemented where the establishment of the appropriate infrastructure and training for staff take place. Finally, the companies will include these anti-corruption elements in their audits, as well as highlighting them in their annual reports.

## CORPORATE LIABILITY

Work on the Corporate Integrity System Malaysia (CISM) will continue by encouraging more companies to sign the CIP as a tool to develop their own anti-corruption programmes. There are also plans to introduce a corporate liability provision into the MACC Act which will make companies liable for the corrupt acts of their employees. Currently, the MACC Act does not have any special provisions for corporate liability, and thus, only individuals are charged for corrupt practices even when such action was carried out on behalf of a company.

United Nations Convention Against Corruption (UNCAC) as well as Organization for Economic Co-operation and Development (OECD) recommend the liability to be extended to the corporate body as it can be a powerful legislative tool to deter corruption. Ultimately, the initiative is aimed at motivating companies to implement the measures contained within the corporate integrity system. ■