

Your Bank of Choice

# ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

BANK KERJASAMA RAKYAT MALAYSIA BERHAD (BANK RAKYAT)





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## **ABBREVIATIONS**

ABAC	Anti-Bribery and Anti-Corruption
ABMS	Anti-Bribery Management System
AFIC	Audit Fraud and Integrity Committee
AIGA	Anugerah Integriti Governans dan Antirasuah
ВИМ	Bank Negara Malaysia
BOD	Board of Directors
CBR	Corruption Bribery Risk
CRM	Corruption Risk Management
FRCI	Fraud and Corporate Integrity

ISO	International Organisation for Standardisation
KUSKOP/ MECD	Kementerian Pembangunan Usahawan dan Koperasi / Ministry of Entrepreneur and Cooperatives Development
MACC	Malaysian Anti-Corruption Commission
MANCO	Management Committee
OACP	Organisational Anti-Corruption Plan
SKM	Suruhanjaya Koperasi Malaysia / Co-operative Societies Commission of Malaysia

## **FOREWORD**

Bank Kerjasama Rakyat Malaysia Berhad, known as Bank Rakyat, was established on 28 September 1954 under Cooperative Societies Act 1948. Regulated by Bank Negara Malaysia (BNM) under the Development Financial Institutions Act 2002, it operates under the supervision of the Ministry of Entrepreneur and Cooperatives Development (KUSKOP) and the Co-operative Societies Commission of Malaysia (SKM). Bank Rakyat plays a pivotal role in driving economic growth and has become the largest Islamic cooperative bank in Malaysia. Our comprehensive range of products and services cater diverse customer needs, including consumer banking, commercial financing, savings, investments and financial planning solutions. We continually strive to meet the evolving demands of our valued customers by providing them with innovative and tailored banking experiences.

Currently, Bank Rakyat operates through a vast network of 148 branches across Malaysia, equipped with over 985 automated teller machines (ATM) and cash deposit machines (CDM). Additionally, we have established 131 Ar-Rahnu X'Change nationwide, offering convenient and secure Islamic pawnbroking services. To further enhance customer convenience, we have our dedicated Bank Rakyat Contact Centre, accessible toll-free at 1-300-80-5454 and the iRakyat internet banking platform available at www.irakyat.com.my.

In achieving its objectives and growth, Bank Rakyat prioritizes compliance and governance initiatives. With this priority in mind, the journey of formulating and implementing the Organisational Anti-Corruption Plan (OACP) began.

The background of the OACP can be traced through the efforts of the Malaysian Anti-Corruption Commission (MACC). The MACC has developed OACP as a comprehensive framework to assist organizations in preventing and addressing corruption risks effectively.

## OACP

## **CHAIRMAN'S MESSAGE**

Dear Stakeholders,

Aligned with the directive of the Government of Malaysia and as a vital component of our anti-corruption initiatives, Bank Rakyat made a commitment in 2022 to formulate an Organisational Anti-Corruption Plan (OACP).

Our OACP has been meticulously crafted to ensure it is integrated, holistic and practical, encompassing critical components of corporate governance. This OACP document provides comprehensive details on the parameters and criterias that we will utilize to gauge our progress and adherence to anti-corruption measures.

Through the implementation of the OACP, Bank Rakyat firmly believes that we are fortifying our existing governance system, making it more robust and resilient. We are committed to fostering a culture of transparency, accountability and integrity within our organisation. By doing so, we aim to effectively mitigate the escalating risks associated with corruption, bribery, fraud, money laundering and other illicit activities in the banking industry.

As an Islamic cooperative bank, we adhere to integrity and Shariah principles in all our operations. This foundation of ethical

leadership guides decision-making processes that prioritize the greater good over personal gain. By embracing these fundamentals, we uphold our values and contribute more to our customers and stakeholders.

On behalf of the Board, I express my appreciation to all employees who have been involved in this journey to achieve our commitment. I also extend our appreciation to all employees for their ongoing support and commitment to our shared values as we collectively strive for a corruption-free banking environment.

Let us embark on this journey to foster a corruption-free Malaysia, where Bank Rakyat sets a shining example of ethical conduct, trustworthiness and accountability.

Thank you.

DATUK MOHD IRWAN MOHD MUBARAK
Chairman



# OACP

## **CEO'S MESSAGE**

Assalamualaikum,

Corruption remains a significant impediment to realizing the five pillars of the 2025 Agenda for Sustainable Development: People, Planet, Prosperity, Partnership and Peace. It is essential that our anti-corruption initiatives not only measure the extent of corruption but also drive substantive reforms in our anti-corruption strategies.

Bank Rakyat, a pioneer in Malaysia's cooperative movement is steadfast in its commitment to integrity and compliance. Our newly implemented Organizational Anti-Corruption Plan (OACP) reinforces our zero-tolerance policy against bribery and corruption.

Our OACP serves as a comprehensive framework that underscores our dedication to integrity and transparency. Key elements of this framework include:

- 1. Empowering employees to act as integrity champions.
- 2. Establishing clear roles and responsibilities for all stakeholders, from the Board of Directors to executives, to mitigate corruption and bribery risks.
- 3. Conducting regular assessments to monitor the progress of OACP.
- 4. Implementing new ethics and training programs for employees and key external stakeholders.

Through the OACP, Bank Rakyat is firmly committed to fostering a corruption-free environment across all operations. Every employee is expected to uphold this commitment by:

- Ethical Conduct: Upholding the highest standards of integrity.
- Proactive Reporting: Voicing concerns about potential misconduct without fear.
- Personal Accountability: Taking ownership of actions and decisions.
- Adherence to Policies: Strictly following Bank Rakyat's guidelines and procedures.

By working together, we can cultivate a culture where corruption cannot thrive, honesty and integrity flourish. I extend my heartfelt gratitude to our exceptional team at Bank Rakyat for their invaluable contributions to this important initiative. Let us press forward, united in our commitment to an ethical and responsible future for Bank Rakyat and Malaysia, as outlined in our new three-year strategy.

Thank you.

AHMAD SHAHRIL MOHD SHARIFF
Chief Executive Officer



## **OACP LANDSCAPE**

Today, Bank Rakyat is the biggest Islamic cooperative bank in Malaysia with assets totalling RM 117.3 billion as at the end of 2023.

As of December 2023, our employees numbered approximately 6,114, serving 8.69 million customers and benefiting 802,823 shareholders. Bank Rakyat's business pillars include Islamic Principles, Members, Customers, the Cooperative Movement, Society and Nation all of which constitute our OACP landscape.

By nature, corruption is a diffuse and complex phenomenon that has many dimensions, taking various forms and often occurring behind closed doors. This presents challenges in measuring its extent, tracking its evolution over time and capturing the impact of specific Anti-Bribery and Anti-Corruption (ABAC) strategies.

Over the next three years, Bank Rakyat has set several ambitious plans to elevate compliance to best-in-class status within the industry through OACP strategic initiatives.

## **OACP DATA SOURCES**

1

Corruption Bribery Risk Management Workshop

Conducted 4 workshops to identify corruption and bribery risks for Bank Rakyat operations.

2

**Corruption Bribery Risk Register** 

Corruption and bribery risks from key departments were reviewed and risks were prioritized.

3

**Meetings with CEO & Chiefs** 

Engagements with the CEO and members of MANCO to gather input on the OACP.

4

**Compliance Analytics & Surveys** 

Compliance data from internal departments analyzed to capture perception about integrity, trust and culture.

Research & Reviews

Performed desktop reviews and research on emerging corruption and bribery risk areas across international, region and Malaysia. 6

Industrial Relations Reports, Audit Reports, Whistleblowing case

Historical past data on misconducts, frauds and whistleblowing cases.

## **OACP DATA SOURCES**

Recognizing the need for an OACP to address corruption risks comprehensively, Bank Rakyat held dedicated CRM workshops for the first time in its history, from January to February 2023. The workshops provided a comprehensive overview of Corruption Bribery Risks (CBR), with a good assessment of current levels of preparedness in areas relating to compliance, ethics and integrity and with the status of current anti-bribery controls. The workshop acknowledged areas of concern that need to be addressed through the OACP. A total of 100 employees were chosen based on the exposure of the level of bribery risks. The attendee list included Senior Vice-Presidents, Vice-Presidents, Managers, Assistant Managers, Unit Heads, Senior Executives and Executives from key departments.

Following the CRM workshop, Bank Rakyat continued to engage with CRM champions from key departments, to evaluate the department structure, operations and processes, in terms of exposure to bribery risks and to compile a further list of CBR's. Bank Rakyat has now formulated detailed plans and processes to mitigate identified risks through OACP.

As part of its engagement with MANCO on operational matters relating to integrity, ethics, compliance and risk management, FRCI, together with consultant, held a series of engagements with respective Chief Officers from July 2023 to August 2023 and obtained valuable feedback on critical CBR's.

## **OACP VISION & MISSION**



## **Vision**

To be Malaysia's No. 1 Trusted, Credible and Corruption-Free Islamic Cooperative Bank.

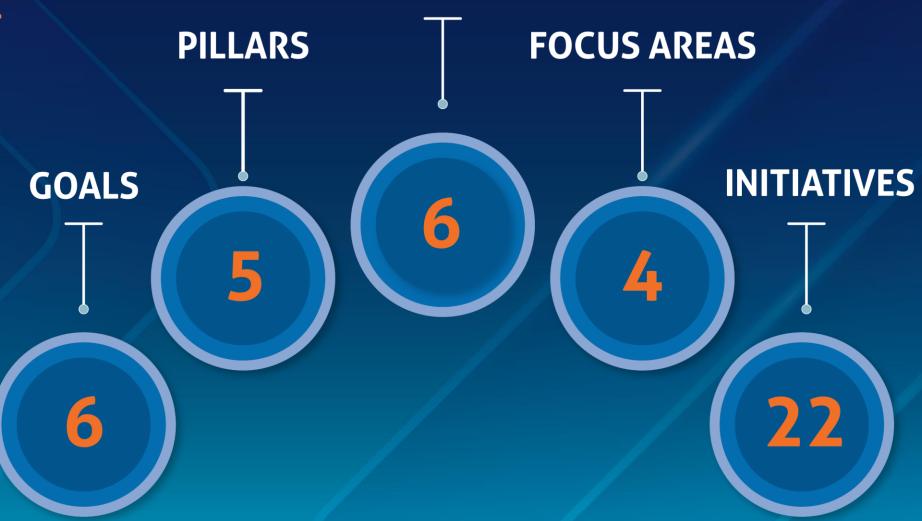


## Mission

To drive a sustainable development agenda through responsible business practices that uphold the highest standards of integrity and transparency.

OACP STRUCTURE

## **STRATEGIES**



# 22 OACP INITIATIVES (2024-2026)



#### **GOALS**

- G1- 7 initiatives
- G2- 7 initiatives
- G3- 1 initiative
- G4- 1 initiative
- G5- 4 initiatives
- G6- 2 initiatives



#### T.R.U.S.T PILLARS

- T- 4 initiatives
- R- 2 initiatives
- U-6 initiatives
- S- 5 initiatives
- T- 5 initiatives



#### **FOCUS AREAS**

- FA1- 8 initiatives
- FA2- 2 initiatives
- FA3- 5 initiatives
- FA4- 7 initiatives



#### **STRATEGIES**

- S1- 3 initiatives
- S2- 4 initiatives
- S3- 7 initiatives
- S4- 3 initiatives
- S5- 1 initiative
- S6- 4 initiatives

## **OACP INITIATIVES MAPPING**

These OACP initiatives re-emphasize Bank Rakyat's ongoing commitments to Anti-Bribery and Anti-Corruption (ABAC).

- Being accountable for its impacts on society, the economy and the environment.
- Being transparent in its decisions and activities that affect society and the environment.
- Encouraging ethical behavior from employees.
- Respecting, considering and responding to the needs and expectations of interested parties.
- Complying with the laws and regulations governing its business operations.
- Respect human rights and recognize the importance and universality.
- Ensuring a clear ABAC policy and procedures that are communicated to all employees.
- Providing a whistleblowing hotline that allows employees and stakeholders to report suspected corruption anonymously.
- Conduct regular ABAC training for employees.
- Investigate all allegations of corruption thoroughly and impartially.
- Taking disciplinary action against employees who are found to have engaged in corrupt behavior.

The FRCI team will oversee the implementation of the OACP. MANCO and BOD will be updated on a half-yearly basis regarding the progress of the agreed implementation actions.

Pillar 1

Top Management Commitment & Leadership Pillar 2

Risk Management for Corruption Pillar 3

Undertaking Anti-Corruption Control Measures Pillar 4

Systematic Review, Monitoring & Enforcement Pillar 5

Training & Communication

4 OACP INITIATIVES

2 OACP INITIATIVES

6 OACP INITIATIVES 5 OACP INITIATIVES 5 OACP INITIATIVES



4 OACP INITIATIVES

#### **PILLAR 1:**

#### TOP MANAGEMENT COMMITMENT AND LEADERSHIP

Bank Rakyat's Top Management, responsible for OACP oversight consists of MANCO members. Top Management has always been supportive of ABAC initiatives and encouraged active participation from its employees. They are fully committed to providing the leadership and resources necessary to effectively implement the OACP, in preventing and detecting corruption.

Bank Rakyat has identified four (4) OACP initiatives (ref Annexure), under Pillar 1. These initiatives will enable Bank Rakyat's Top Management to a) clearly speak out against corruption, b) set clear expectations for ethical behaviour from employees and c) establish clear and actionable anti-corruption measures.



Risk Management for Corruption

2 OACP INITIATIVES

#### PILLAR 2:

#### **RISK MANAGEMENT FOR CORRUPTION**

During the year 2023, Bank Rakyat conducted four CRM workshops. These workshops enabled Bank Rakyat to establish a structured risk-based management tool designed to prevent, detect, manage and mitigate corruption and bribery (if any). This CRM assisted Bank Rakyat to identify top priorities, employees' KPI and management action plans for OACP.

OACP data sources revealed the need to have wider and more intensive CRM exercise across Bank Rakyat operations. Bank Rakyat has now identified two (2) OACP initiatives, under Pillar 2. These initiatives will enable Bank Rakyat to conduct CBR's for high/medium a) departments, b) processes, c) business associates and d) branches. By conducting regular CRM reviews, Bank Rakyat will continue to implement stronger and more robust controls to safeguard business operations and to mitigate corruption and bribery risks effectively.



6 OACP INITIATIVES

#### PILLAR 3:

#### **UNDERTAKING ANTI-CORRUPTION CONTROL MEASURES**

Bank Rakyat's anti-corruption control measures are proportionate to the risks of corruption and bribery. These measures are reasonable and provide clear guidelines and guidance to employees making it evident that they will be held accountable if they failed to comply. Control measures typically go through a series of validation checks before implementation.

OACP data sources revealed systemic weaknesses in some of the existing anti-corruption controls and these require Bank Rakyat to formulate actionable items to mitigate exposure to CBRs. Some of the areas that required enhanced controls in ABAC operations were in customer and vendor due diligence, operational framework policies, roles and responsibilities for employees managing high-risk and medium-risk functions, resource management, competency requirements, data management, compliance reporting frameworks, staff engagement and grievance concerns.

Bank Rakyat has identified six (6) OACP initiatives under Pillar 3, which will enable clearer, concise, sustainable anti-corruption measures. These initiatives will be primarily driven by appropriate teams from a) FRCI, b) IT, c) People Sector, d) Strategy, e) Procurement, g) Business Banking, h) Retail Banking and i) selected high-risk departments.



Systematic Review, Monitoring & Enforcement

5 OACP INITIATIVES

#### PILLAR 4:

#### SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

Bank Rakyat currently has several reviews in place assessing the effectiveness of its ABAC a) policies and procedures, b) training programs and c) monitoring and oversight systems. These reviews help Bank Rakyat in identifying, preventing, detecting and addressing corruption and bribery risks, changing employees behaviours and building trust and integrity.

Bank Rakyat has identified five (5) OACP initiatives that will assist in systematic and robust review, targeted monitoring and precise enforcement actions. These initiatives will be primarily driven by appropriate teams from a) FRCI, b) IT, c) People Sector, d) Strategy, e) Internal Audit, f) Procurement, g) Business Banking, h) Retail Banking and i) selected high-risk departments.



5 OACP INITIATIVES

#### **PILLAR 5:**

#### TRAINING AND COMMUNICATION

Bank Rakyat considers employees as the first line of defence against corruption. Bank Rakyat is committed to providing training and awareness programs to our employees, ensuring they have the necessary knowledge and skills to identify, prevent and report any suspicious activities or breaches of ethical standards. By fostering a culture of integrity, professionalism and responsible conduct, Bank Rakyat aims to strengthen its resilience against corruption risks.

OACP data sources have identified certain gaps in the current training and communication processes. As such, Bank Rakyat has now identified targeted five (5) OACP initiatives which will assist in a) building employees competencies to manage/mitigate CBR's, executing complex ABAC due diligence activities, conducting investigation related to corruption and bribery professionally and effectively reaching out to employees on integrity issues. These initiatives will be driven mainly by appropriate teams from a) FRCI, b) People Sector, c) Marketing and Communications, d) Product Trainer, e) Compliance and f) Procurement.

## **OACP IMPLEMENTATION**

Bank Rakyat's OACP implementation, progress, monitoring, evaluation and follow-ups as per below governance structure.

**Board Of Directors MANCO** Audit Fraud & Integrity **OACP** ..... **Committee (AFIC)** 

## OACP MONITORING PROCESS

**Oversight** 

- BOD will have full oversight
- On a quarterly basis, FRCI to liaises with internal departments and seek updates on OACP actions taken
- Coverage: All high-risk and medium-risk departments, followed by branches
- All high-risk and medium-risk departments to prepare progress reports and provide data to FRCI
- FRCI to update half yearly reports to MANCO & BOD on the progress of actions taken against OACP plan

Progress Report

Evaluation & Review

- FRCI (where required with Internal Audit) to review the effectiveness of OACP processes and actions
- Evaluate and review emerging OACP risks and propose action plans
- Concerned departments to take follow-up and implement corrective actions
- Initiate new OACP document following the expiry of the current version.

Follow-up Actions

## **OACP FAQ**

**Q1** Why is Bank Rakyat having OACP?

Bank Rakyat is mandated by Government of Malaysia to have an organizational anti-corruption plan for a period of 3 years, with clearly stated goals and targets to prevent and mitigate corruption and bribery risks.

How will I know which OACP initiative is important for me?

Bank Rakyat's OACP initiatives are targeted, categorized by goal, pillar, strategy, priority and by target dates. Your supervisor will advise you on OACP initiatives that you will be responsible for and accountable to. As an employee, what am I supposed to do after reading through the OACP document?

Bank Rakyat expects you to understand about OACP 2024-2026 initiatives and contribute to its successful rollout, by performing your duties with full commitment, honesty and integrity, with zero tolerance for corruption and bribery. Your OACP contributions will be subjected to performance evaluations.

What's new and what's coming up from OACP?

Q4

ISO 37001 ABMS, tech-based compliance control tools, focused due diligence measures, competency trainings, dedicated hotline/helpline, compliance webpage and much more.

03

## **OACP FAQ**

**Q5** How will Bank Rakyat employees benefit from OACP?

OACP is going to be Bank Rakyat's tool to drive its anti-corruption initiatives, where employees play a crucial role. OACP will help employees to work in a conducive, ethical work environment, without any fear or favour and with pride.

Who will monitor OACP initiatives and what role should I play?

06

08

**8A** 

FRCI will monitor the progress of OACP initiatives.

As a trusted employee, you are expected to perform OACP compliance roles (where applicable) and help Bank Rakyat to achieve targeted OACP goals.

What reports will be available through OACP?

Bank Rakyat's OACP reports will be published internally on half yearly basis by FRCI department and reports will be shared to all employees by email. Bank Rakyat will also include OACP progress in its annual report moving forward. As an employee what I should be aware of under OACP?

Identify all potential corruption and bribery risks in your job
that you encounter. Ensure that it is addressed to your
supervisor and risks are mitigated. Be focused on all your OACP
compliance roles diligently. Ensure documentary evidences are
kept. Speak up and report on any concerns through
appropriate channels.

**Q7** 

## **OACP FAQ**

Q9 How is Bank Rakyat's OACP structured?

Bank Rakyat's OACP has 6 GOALS, 5 PILLARS, 6 STRATEGIES, 4 FOCUS AREAS AND 22 INITIATIVES.

What are the targeted dates to achieve our OACP initiatives?

**Q12** 

**A12** 

Bank Rakyat's 22 OACP initiatives are of varying degrees in terms of complexity and priority. We have set some realistic targets in the next three years: 2024-2026. 8 targets in 2024, 7 targets in 2025, 7 targets in 2026. We need all your support!

A staff has a great idea to share for an OACP initiative. What should be done?

Bank Rakyat encourages all its employees to be transparent and communicative in its OACP journey of ensuring corruption-free business environment. Employees are encouraged to send emails to FRCI team with a copy to their supervisors. FRCI will carefully review all ideas submitted, take appropriate and suitable actions as well as notify employees.

How should employees reach out if they have queries or concerns?

Please reach out to the following officers from FRCI team by email or by phone:

Rosli Mohd Yusoff
yrosli@bankrakyat.com.my (03-26124828)

Ahmad Zainoor Ismail ahmad.zainoor@bankrakyat.com.my (03-26129664)

Noor Aziha Azizuddin noor.aziha@bankrakyat.com.my (03-55262461)

Imran Hakim Shaifulamri imran.hakim@bankrakyat.com.my (03-26004715)

011

A11

# **ANNEXURES:**

## **OACP GOALS**

Goal 1

Demonstrate a resilient culture of ethics, compliance, transparency and uphold business integrity

Goal 2

Implement and maintain
ISO 37001 ABMS to prevent & mitigate corruption and bribery risks and to be a trusted business partner

Goal 3

Embrace technological advances, digitalize ethics & compliance reporting Goal 4

Enhance hotline, helpline whistleblower channels to gain trust, credibility & confidence Goal 5

Sustain a conducive business environment with zero tolerance for corruption and bribery

Goal 6

Promote the support of Government of Malaysia integrity & anti-corruption initiatives

7 OACP INITIATIVES

7 OACP INITIATIVES

1 OACP INITIATIVE 1 OACP INITIATIVE

4 OACP INITIATIVES

2 OACP INITIATIVES

## **OACP PILLARS**

Pillar 1

Top
Management
Commitment &
Leadership

Pillar 2

Risk Management for Corruption Pillar 3

Undertaking Anti-Corruption Control Measures Pillar 4

Systematic Review, Monitoring & Enforcement Pillar 5

Training & Communication

4 OACP INITIATIVES

2 OACP INITIATIVES

6 OACP INITIATIVES 5 OACP INITIATIVES 5 OACP INITIATIVES

## **OACP STRATEGIES**

Strategy 1

Compliance Governance Framework Strategy 2

Compliance Resources Strategy 3

Compliance Communication Strategy 4

Compliance Controls Strategy 5

Compliance Technology Strategy 6

Compliance Reporting

3 OACP INITIATIVES

4 OACP INITIATIVES

7 OACP INITIATIVES

3 OACP INITIATIVES

1 OACP INITIATIVE

4 OACP INITIATIVES

## **OACP FOCUS AREAS**

Focus Area
1

Leadership, Governance & Communication Focus Area
2

Compliance Technology Focus Area
3

Competency & Trainings, Roles & Responsibilities Focus Area

Anti-Corruption & Anti-Bribery Controls

8 OACP INITIATIVES

2 OACP INITIATIVES

5 OACP INITIATIVES

7 OACP INITIATIVES

## **OACP TARGET DATES**

2024

Top Management,
Framework Policies,
Resources, Collaboration &
Communication, ABMS
Awareness for branches,
Hotline/Helpline
implementation,
Competency training,
Integrity Pledge, Roles &
Responsibilities
mapping.

2025

Top Management's dedicated engagement sessions, Engagement with Chief Officers, Annual Survey's, ABMS policies and procedures review for branches & subsidiaries, ABMS Enhancements, integrity Pledge, ABMS Controls follow-ups

2026

CRM across high risk, medium risk departments and branches, External ABMS reporting, ISO 37001 ABMS for Branches & Subsidiaries, Enforcement actions for ABMS non-compliance, Competency Building & Integrity workshops

8 OACP INITIATIVES 7 OACP INITIATIVES

7 OACP INITIATIVES