SECTION 2 MAKING GOVERNMENT MORE EFFICIENT

2.1 Improving productivity

2.2 Privatisation

2.3 Determining the appropriate size and structure of government

2.4 Introducing work measurement

2.5 Strengthening anti-corruption measures

2.1 Improving productivity

The evolution of the productivity and quality movement in the Public Service is best seen in an historical perspective. The development administration era of the 1960s and 1970s was instrumental in internalising the realisation that there is a constant need to improve consistently the service delivery system of the public sector. An outcome of that era was the setting up of the Development Administration Unit in 1966, the National Institute of Public Administration (INTAN) in 1972 and MAMPU in 1977. Productivity and quality management, though not highlighted at that time, remained an integral and important part of the administration modernisation efforts undertaken by government.

The concern for productivity in the public sector further gained momentum with the setting up of the Organisation and Methods Division in the Treasury in 1984. In addition, following the introduction of the Productivity Measurement Programme in September 1986, the Productivity Management Division was set up in MAMPU in 1987. However, it was later expanded to include in its purview quality management and was renamed Productivity and Quality Management Division.

The context for change

The concern for productivity gained momentum in the late 1970s and early 1980s as a result of the adverse effects of the world economic recession. The Government went on an austerity drive to reduce government expenditure in the face of reduction in revenue and the limitation of resources, as well as the rising expectation of the public for more, better and faster services.

Implementing change

In line with the need to reduce operating costs without sacrificing the quality of service to the public, the Government had to optimise the utilisation of its resources. Accordingly in 1985, a high level National Committee for Reducing the Size of the Public Service was set up to ensure that the bureaucracy would not be expanded beyond what was essential for the effective implementation of government decisions. A Panel to look into improvements to the Public Service was also established. In addition, a special Task Force on Productivity was established in the Prime Minister's Department to undertake surprise spot checks on government agencies to ascertain the level of implementation of the various productivity improvement measures and their effect on the performance of the agencies concerned.

One of the first productivity programmes undertaken by Government was the Productivity Measurement Programme and a Technical Committee was set up in MAMPU to develop that programme. Subsequently, the Productivity Management Division was set up in MAMPU to plan and implement productivity improvement programmes for the Public Service. Its four main objectives are:

- to provide advisory and consultancy services to government agencies with regard to productivity measurement and improvement;

- to conduct studies on behavioural aspects, work environment etc., which can affect productivity;

- to monitor and co-ordinate productivity measurement and improvement efforts by government agencies;

- to increase awareness of public sector agencies of the need and importance of productivity measurement and improvement.

The Productivity Management Division has carried out several major activities on productivity. These include:

- advisory and consultancy services to nine government departments regarding the implementation of the productivity measurement programme;

- talks and briefings on productivity to agencies;

- the publication of a magazine on productivity;

- a study on the opinion of public sector employees regarding motivation and the work environment;

- the publication of manuals/guidelines on productivity;

- the production of videotapes on productivity.

The following improvement efforts are other relevant efforts undertaken by the Government:

- implementation of Total Quality Management;
- encouragement of innovations in the Public Service;
- introduction of the Client's Charter;
- introduction of Performance Indicators;
- introduction of the Modified Budgeting System;
- introduction of the Micro-Accounting System;

- introduction of the Internal Audit System;
- introduction of the New Performance Appraisal System;
- improvements in systems and procedures, office automation and information technology.

In 1989 the Government did some stock-taking which culminated in a renewed and concentrated focus on productivity and quality. The productivity and quality programme is targeted to achieve not only higher quantitative outputs but, more importantly, quality outputs. Public sector agencies are asked to shift their paradigms and be market-driven and customer-focused in the delivery of services. Realising that this calls for a quality culture, the Government launched a nation-wide Excellent Work Culture Movement and drew up a comprehensive long-term plan of action.

A particular initiative in improving productivity: productivity measurement

The Government is constantly emphasising productivity improvement as a means of upgrading the efficiency and effectiveness of the Public Service. To assist agencies to plan for productivity improvement, the Government has issued Development Administration Circular No. 6/1991 entitled Guidelines on Productivity Improvement in the Public Service. In undertaking productivity improvement efforts, agencies have been asked to establish a productivity measurement system suitable for the outputs being produced. Through measurement, management will be able to gauge the productivity level of their agency at a particular point in time, and whether productivity has increased or otherwise. This information provides a useful basis for planning further productivity improvement efforts.

All government agencies are required to improve productivity constantly at all levels of their agency. This is because with the creation of more productive departments/offices, the Public Service will be able to improve the level of its services to the public. With increased productivity, departments/offices will also be able to optimise resource utilisation as well as realise savings in operational costs. Productivity improvement has to be planned. Therefore the guidelines mentioned above were issued to assist government agencies to understand, plan and implement effective measures for productivity improvement in their respective agencies.

It has been found that several key factors contribute to the success of productivity improvement efforts. These are:

- top management commitment and support;

- a structure for the management of productivity improvement;

- involvement of all employees in productivity improvement efforts;

- training and recognition.

Before an agency can improve its productivity, it has first of all to understand the concept of productivity. Productivity is the relationship between the output generated and the input provided to create that output and can be defined as the value or quantity of output that can be produced by one unit of input. Productivity levels can therefore be in the form of cost per unit of output or time taken to produce a unit of output.

To improve productivity an agency has to take measures to strengthen factors which influence productivity. Eight factors have been identified as critical in productivity improvement. These are:

- manpower;
- systems and procedures;
- organisational structure;
- management style;
- work environment;
- technology;
- materials;
- capital equipment.

Productivity measurement is one of the important components in productivity improvement. It enables an agency to obtain information pertaining to the following:

- the extent of resources used;

- the extent of operational flexibility in the utilisation of human resources and equipment;

- identification of areas for productivity improvement;

- the organisation's operational cost.

There are four steps involved in the measurement of productivity. These are:

i) identification of main output in line with the objectives of the organisation;

ii) determination of productivity indicators for each of the main outputs identified;

iii) data collection; and

iv) evaluation of current productivity levels.

The Government has also introduced several other related Development Administration Circulars such as the following:

- Development Administration Circular No. 7/1991 on 'Guidelines on Quality Control Circles (QCC) in the Public Service', which is aimed at assisting government agencies to establish QCCs. QCC is a good mechanism which encourages participative management and teamwork and facilitates problem-solving thus leading to greater productivity improvement.

- Development Administration Circular No. 8/1991 on 'Guidelines on the Manual of Work Procedures and Desk File', a management tool for agencies that contributes to the improvement of the efficiency and effectiveness of the department.

In addition, the Government has also prepared a paper on "Unproductive Practices" which outlines examples of commonly found unproductive practices in government agencies. In terms of concept, unproductive practices are those which result in increases in operational costs which do not contribute to the achievement of organisational objectives. Such practices jeopardise the efficiency and effectiveness of the agency as well as resulting in wastage of resources.

As the quest for better productivity and quality is a journey and not a destination, there is no time frame for such efforts. They form an integral part of the daily activities of an organisation. They are strategic tools to help organisations review and improve systems, procedures, processes and other management practices. Agencies have been constantly reminded not to be complacent but to sustain and strive for continuous productivity and quality improvement. This has been accepted as the way forward to improve the nation's competitive edge in the international market place.

Supporting material

(i) Annual Reports of MAMPU, 1987-89 (in the national language)

(ii) Development Administration Circular No. 6/1991 entitled Guidelines on Productivity Improvement in the Public Service

(iii) Development Administration Circular No. 7/1991 entitled Guidelines on Quality Control Circles (QCC) in the Public Service

(iv) Development Administration Circular No. 8/1991 entitled Guidelines on the Manual of Work Procedures and Desk File

(v) Paper on Unproductive Practices (in national language)

2.2 Privatisation

The Government drew up a privatisation policy in 1983 which has been implemented successfully.

Privatisation, as defined by the Privatisation Master Plan, is the transfer to the private sector of activities, assets or liabilities which have traditionally rested with the public sector. Privatisation in the Malaysian context not only involves the transfer of a public enterprise through the sale of 100 per cent or less of its assets or shares to private shareholders, but also includes the transfer of a department entity or statutory body.

The privatisation programme can be implemented in a variety of ways. These are:

- sale of government assets or equity or sale of government companies' equity, whether in part or whole. The sale of equity can be made to government companies through corporatisation or transfer of equity to existing management/employees through a method called management/employee buy out;

- lease of assets for a specified time period;

- management contract which involves the use of management expertise from the private sector to manage government entities through payment of a fee;

- Build-Operate-Transfer (BOT) or Build-Own-Operate (BOO) systems. This is one method used for new projects which are normally undertaken by the public sector, such as infrastructure projects and public facilities like roads, water supply etc. Under this method, the public facility concerned is built by the private sector using their own finances and is run by them under a period called the period of concession. It is surrendered back to the Government at the end of the concession period.

The context for change

The privatisation policy was introduced with the following objectives:

- to relieve the financial and administrative burden of government;

- to improve efficiency and productivity;

- to accelerate economic growth;
- to reduce the size and involvement of the public sector in economic activities;
- to help meet the national economic policy targets.

Implementing change

The following are important prerequisites for the successful implementation of the privatisation policy:

- Amendment of laws and regulations to allow privatisation to take place. Several laws which have been amended include the Federal Constitution and the Pensions Act.
- Deregulation and the lifting of barriers may take place to allow free competition. In areas where competition is not easily introduced, as in natural monopolies, existing regulatory bodies will be strengthened and new ones established.
- Increasing the absorptive capacity of the domestic capital market.
- Addressing the constraints on the demand side of the market.

The privatisation policy was implemented in stages. The first stage, which began immediately after the announcement of the policy, was basically a period of preparation and implementation. The Government disseminated important information pertaining to policy implementation to keep the public informed of its objectives and progress of implementation. The second phase came in 1985 with the publication of guidelines on privatisation explaining, among others, the methods applicable and the implementing machinery. The third phase was characterised by co-ordinated policy implementation with the publication of the Privatisation Master Plan in 1991. The plan is aimed at accelerating the pace of the privatisation process to achieve the policy's objectives.

The execution of the privatisation policy is based on the principle of centralised planning and decentralised implementation. The Economic Planning Unit of the Prime Minister's Department is responsible for the planning function which involves a continuous review of government activities and entities, and identification of privatisation candidates. A programme will be drawn up for more in-depth studies to be undertaken on these candidates. Based on these studies, a two-year rolling action plan will be drawn up. This plan will be discussed by the inter-departmental committee on privatisation. Upon approval by the Government, the committee will evaluate the various possible modes of privatising the agency concerned.

These are deemed to be government-initiated privatisation projects and therefore subject to competitive bidding. The ministries concerned will extend invitations to the private sector to privatise these entities. The bids made by the private sector will be evaluated and an award made by the ministry. For private sector-initiated privatisation, the proposals will be submitted to the Economic Planning Unit for evaluation and if found to be acceptable, an award will be made by the ministry concerned.

The private sector will also be allowed to initiate privatisation of projects not yet identified by the Government and those identified by the Government but for which the private sector proposal contains unique features. The following criteria will be used as a general guideline to determine uniqueness:

- the proposal contains a unique solution to an economic problem and offers a cost-effective method of solving the problem or offers to generate potential savings for the Government;

- the private sector party may be in a unique position to effect successful privatisation of the project in view of its possession of certain patent rights or technical know-how.

Such proposals will be considered on a "first come first served" basis. If a proposal satisfies the uniqueness criteria, a letter of exclusivity will be given to the private sector party to conduct a feasibility study. If the Government finds the proposal favourable, an agreement will be negotiated and an award made. If negotiations fail, the project will be privatised through competitive bidding.

Many local authorities have contracted out some of their services, the most common of which are garbage collection and the management of car parks. Other methods include franchising and public-private sector joint ventures.

To date, a total of 90 projects have been privatised. The Economic Planning Unit has identified 200 projects to be privatised in the next ten years. The public sector workforce has been reduced by 86,171 employees, which is equivalent to 10 per cent, and is estimated to be reduced by 89,600 employees within the decade which will save the Government about RM3.3 billion in operating costs and not less than RM30 billion in new investments.

The efforts at privatisation in the last decade have been very successful as they have not only reduced the administrative and financial burden of the Government but have also enhanced the efficiency and productivity of the entities privatised, and accelerated the achievement of the national development policy objectives. In view of its success, the implementation of the privatisation programme will continue to be accelerated. The Government will continue to reduce the role of the public sector in the economy by privatising those entities that can be better managed by the private sector.

Supporting material

(i) Privatisation Policy (in the national language)

(ii) Guidelines on Privatisation (in the national language)

(iii) The Privatisation Master Plan

(iv) The Civil Service of Malaysia, A Paradigm Shift, pp 743-765

(v) Annual Report of the Public Services Department 1991-1992 (in the national language)

2.3 Determining the appropriate size and structure of government

The powers of the Government are divided into three functions namely:

- the Executive which formulates policy and administers the affairs of the nation;

- the Legislative which enacts laws; and

- the Judicial which adjudicates disputes between subjects and authorities.

There is decentralisation of the Malaysian Federal System which comprises three tiers of government:

- Federal Government
- State Government
- Local Government

At Federal Government level, the Cabinet exercises executive powers. It is headed by the Prime Minister who is assisted by Cabinet Ministers. The Chief Secretary to the Government is the Secretary to the Cabinet. The government administrative machinery is made up of 25 ministries. At State Government level, the executive authority is vested with the Ruler or the Governor assisted by a State Executive Council who is headed by the Chief Minister. The administrative machinery of the state is headed by the State Secretary. At Local Government level, the power of decision- making is transferred to the local authorities to administer an area.

This entry is only confined to the restructuring aspect of public sector agencies by the Federal Government as other aspects are already dealt with in separate entries in this compilation.

The Government has undertaken various efforts to improve the capability and efficiency of the Public Service among which are efforts to restructure the organisations and operations of government agencies, and efforts to right-size the Public Service. The restructuring of government agencies has been an on-going activity undertaken by the Public Services Department, though at the moment it is concentrated on agencies that are considered critical in terms of their role in the planning and management process of the economy, revenue earning, and Research and Development that support industry.

As of 1993, there were 653 public agencies and 1,056,164 posts in the Public Service. Out of these, 274 agencies are ministries, departments and federal statutory bodies, that is, excluding state agencies. From this total, 162 are in the economic sector, 54 in the social sector, and 58 agencies in the administrative and security sector.

The objective of government efforts to right-size and restructure the Public Service is to curb the growth of the public machinery. In fact, the move to reduce the size of the Public Service was initiated in 1982 as a cost-saving measure to reduce the operating expenditure of the public sector. Such efforts are also aimed at consolidating and rationalising the structure of government agencies in order to eliminate unnecessary duplication and obsolesce in their roles. Towards this end, the Government has set a growth rate of 0.53 per cent per annum for the period 1989 to 1995. This expansion will be distributed among agencies according to their contribution to national economic development as mentioned above.

The Second Outline Perspective Plan and the Sixth Malaysia Plan launched in 1991 have to be taken into account when the Public Services Department draws up a manpower master plan for the public sector. In addition, the recent introduction of the New Remuneration System (NRS) has made significant changes to the service structure of the Public Service which has affected the structure of organisations. As a result, agencies have to be restructured accordingly. With this restructuring, a number of posts will be abolished.

For example, subsequent to the implementation of the New Remuneration System, the Cabinet Committee on Public Sector Salary directed that a review be undertaken on the functions and position of statutory bodies. A total of 74 federal statutory bodies involving 99,060 posts are being studied. For this purpose, seven Working Committees have been formed under the Steering Committee On Reduction in the Size of the Public Service. The review is to determine whether these entities should take any of the following forms:

- be privatised;
- be allowed to continue under a different remuneration system or remain as they are;
- be abolished and their functions merged with other ministries/departments;
- be totally abandoned and dissolved if their functions and purpose of existence are no longer relevant to current development trends.

In addition, seven regional development authorities were also under review by the Implementation and Co-ordination Unit of the Prime Minister's Department. These regional development authorities were classified into two categories, namely those based on the development of 'resource frontiers' and those based on 'in situ' development. The total number of personnel involved in the regional development authorities is 3,016 staff.

The need to review the position of regional development authorities arose as a result of policy changes and shift in strategic focus since the 1970s which affected the effectiveness of these authorities. Among the changes were:

- Since the early 1980s there was no longer emphasis on the need to control migration of workers from the low productivity rural areas to urban centres. As a result, the new growth centres within the regional development areas faced competition from other more developed regions in attracting workers. This had retarded the development of growth centres and the population in new townships did not reach the desired level as planned.

- The agricultural sector, particularly the plantation sector does not have a strong 'pull factor' to attract local labour. This sector had been facing severe labour shortage and was forced to depend on illegal foreign labour ever since the 1980s. As a result, the development of new townships did not attain the level planned by the regional development authorities.

- Under the Sixth Malaysia Plan, the delineation of 'corridors' of industrial growth did not include the industrial areas under the regional development authorities. As a result, these industrial areas were automatically classified as second and third class industrial areas which were less attractive to investors compared to industrial areas within the 'main corridor'.

- The development of the petroleum industry along the coasts of Terengganu and the East Coast became a strong 'pull factor' which attracted local labour. This has spurred development along the coastal regions which became major competitors to others.

All these issues have affected the performance of the regional development authorities. Though they have achieved considerable success in agricultural development and supply of social services, their achievements in other fields like investment, utilisation of industrial sites and amenities in the growth centres have been less than satisfactory.

Implementing change

The Government adopted two important guidelines in its endeavour to right-size the Public Service. These are:

- The Cabinet policy on the growth of the Public Service which stipulates a rate of 0.53 per cent per annum for the period 1989 to 1995;

- Any increase in posts is to be confined only to the social sector like education and health, and to critical areas which will assist in accelerating economic growth and revenue collection such as economic activities and investment promotion, research, human resource development, infrastructure and enforcement.

Guidelines on restructuring were also issued to agencies to assist them in preparing their restructuring proposals. These contain the following:

- agencies are required to review their objectives, functions, programmes and activities;

- the review must be based on the new perspective under New Remuneration System (NRS);

- the organisation structure can take any form that facilitates integration in the organisation;

- agencies are to expand and upgrade duties and responsibilities in each post in line with the concept of job enlargement and job enrichment and the combination of grades of posts under the NRS;

- the new structure should be flatter to expedite the decision- making process;

- vacant posts with overlapping duties, redundant posts or posts that do not contribute to the performance of the agency should be abolished;

- as far as possible, re-organisation should not involve additional posts, higher grades or additional costs;

- manpower utilisation should be reviewed through productivity programmes, work management procedures, office automation and privatisation of relevant activities.

In order to ensure that efforts at right-sizing the Public Service are carried out smoothly, the Steering Committee on Reduction in the Size of the Public Service was formed in 1984 by the Meeting of Secretaries-General and Heads of Service. This Committee is chaired by the Chief Secretary to the Government, and its members include the Director-General of Public Service, the Secretary-General of Treasury, the Director-General of the Economic Planning Unit and the Director General of the Malaysian Administrative Modernisation and Management Planning Unit. In order to co-ordinate the restructuring exercise for public sector agencies, the following two Committees have also been set up:

- Special Committee to Study Top Management Posts, chaired by the Chief Secretary to the Government;

- Working Committee in the Public Services Department.

Two hundred and twenty agencies out of a total of 274 have submitted their proposals for restructuring. Of those, 93 have been considered by the Working Committee in the Public Services Department and 60 by the Special Committee to Study Top Management Posts. Through this exercise, 9,253 posts have been abolished.

The Public Services Department is still studying the re-organisation proposals submitted by the agencies while the study on the functions and positions of statutory bodies is expected to be completed by April 1994. As regards the future position of the regional development authorities, most will be dissolved where their functions will either be taken over by other development agencies or privatised in phases within one to three years.

Supporting material

(i) Improvements and Development in the Public Service 1990, 1991 and 1992

(ii) The Civil Service of Malaysia – A Paradigm Shift, pp 667-671

(iii) Annual Report of the Public Services Department 1991-1992 (in the national language)

2.4 Introducing work measurement

Productivity measurement is a prerequisite for productivity improvement. It forms the basis upon which the strengths and weaknesses can be analysed and plans for improvement made. It gives the agency direction and control over its operations. However, agencies have been reminded to devise simple and practical measurement systems and collect only those data that are useful and relevant.

The context for change

The Government's experience with work measurement started in 1987 with the introduction of the Productivity Measurement Programme. That programme was designed to enable an agency to measure how efficient and effective it has been in utilising its resources and achieving its objectives. The Government used the Productivity Measurement Model to assist agencies in the implementation of the programme. The Model consists of two stages, i.e. planning and implementation. The planning stage involves setting operational objectives and establishing productivity indicators while the implementation stage involves data collection and productivity measurement, and evaluation. A technical manual explaining the programme was prepared and issued to all government agencies.

Operational objectives were to be stated in measurable terms. Productivity indicators were to be established for processing work as well as knowledge work. Various methods of data collection were suggested. These included time logging, work plans, and monitoring by exception. From the information collected, the agency would be able to determine how well time had been spent, its relation to outputs produced and the distribution of workload among individuals and units. This would enable it to take action such as redeployment of staff or reassignment of tasks to increase productivity.

Implementing change

In 1991, the Government introduced a circular, Development Administration Circular No. 6/1991 entitled Guidelines on Productivity Improvement in the Public Service. Productivity measurement can be implemented at two levels:

- the organisation level;
- the individual level.

The successful implementation of a work measurement programme depends on several factors. These are:

- top management commitment;
- involvement and participation of all levels of employees;
- training and guidance;
- structure for the management of productivity improvement efforts;
- productivity measurement system.

At the organisation level, productivity measurement involves the following steps:

i) Identification of main output.

ii) Determination of productivity indicators which should be clear and easy to understand, readily available or easy to collect, and reflect the element of cost, quality and time.

iii) Data collection. Suitable forms have to be devised to collect data and data collected should be summarised to facilitate evaluation. Comparisons with productivity standard for the past years have to be made. Various methods can be used to establish the productivity standard. These are:

   - discussion with officers involved as to the most appropriate productivity standard to be used;
   - time and motion study;
   - historical records;
   - use of standards, which are considered to be international, for specific services such as health, road transport and fire services.

iv) Evaluation of current productivity levels. Where the level of productivity has not attained the productivity standard that has been set, studies should be carried out to identify causes for the shortfall and remedial action taken.

At the individual level, productivity measurement involves the following steps:

i) Determining the output produced.

ii) Establishing performance standards/work norms which can be based on past records, time and motion studies, and discussion between the supervisor and employee involved.

iii) Data collection and data collected should be summarised to facilitate evaluation.

iv) Evaluation of current productivity level which should be carried out by the supervisor of the employee concerned.

Under the New Appraisal System, employees are required to determine their yearly work targets after their heads of department have determined the division/branch/unit's yearly objectives, strategies and programmes/activities. They will then be assessed based on the work targets set.

The Guidelines for establishing Performance Indicators in government agencies, introduced by the Government in 1993, are also aimed at assisting agencies to set up a systematic and comprehensive performance measurement system. In addition, Service Circular No. 4/1992 on the New Appraisal System for Public Service employees also stressed work measurement as a means of appraising employees' performance more objectively. It is closely linked to productivity measurement of the individual which is outlined in the Development Administration Circular No. 6/1991. The principles used in the New Appraisal System are as follows:

- the rate of remuneration and awarding of incentives have to be based on performance;

- evaluation has to be implemented in an objective and fair manner;

- performance has to be based on work outputs which contribute to the achievement of organisational objectives;

- positive competition among employees to improve productivity and quality should be encouraged.

Since productivity is relative and a productivity level considered high in the past would not be perceived as such in the present, productivity improvement should be made an on-going process. All agencies have been asked to make productivity measurement a part of their daily management routine. It is to be internalised as a normal management practice. Today, emphasis is also placed on quality as agencies are not only evaluated on their production capability but also on the capability of the output to meet and satisfy the needs of their customers.

Supporting material

(i) Technical Manual on Productivity Measurement Programme for Government Agencies (in the national language)

(ii) Development Administration Circular No. 6/1991, Guidelines on Productivity Improvement in the Public Service

(iii) Service Circular No. 4/1992 and Guidelines on the Implementation of the New Appraisal System in the Public Service (in the national language)

2.5 Strengthening anti-corruption measures

Several institutions act as a mechanism to control discipline, accountability and integrity amongst public officials. One of these institutions is the Anti-Corruption Agency (ACA). ACA is a government institution directly responsible for enforcing the laws against corruption. Acts which can be construed as corrupt practices are clearly spelt out in the Malaysian laws. Amongst these laws are the Penal Code, Prevention of Corruption Act 1961, and Emergency Ordinance No. 22 (Essential Powers) 1970.

There are three types of offences that could be deemed as corrupt practices. According to the Prevention of Corruption Act 1961, it is an offence to accept or give any gratification as an inducement or reward to any person for taking certain actions. The second type of offence is when any person knowingly gives any receipt, account or other document which contains any false, erroneous or defective statement with the intention to mislead its principal. This is another offence which is contained in the Prevention of Corruption Act 1961. The third type of offence is related to any public officer who uses his or her public position or office for his or her pecuniary or other advantage. This offence is contained in the Emergency Ordinance No. 22 (Essential Powers) 1970.

The context for change

The Government is committed to establishing an efficient, clean, trustworthy and disciplined Civil Service. Towards this end, it continues its efforts to inculcate good values on discipline, integrity and accountability amongst public officials. In line with this, it has always been the policy of the Government to ensure that the Civil Service is free from the evil of corruption. The intense efforts by the Government to prevent corruption is to maintain the excellence and credibility of the Civil Service.

Heads of departments are required to give special attention and to take immediate action on any disciplinary report submitted by the ACA. Apart from this, heads of departments can also plan more effective preventive measures against corruption within their respective organisations. This can be achieved by strengthening their internal control system such as by creating a check and balance system in decision-making. With more accurate work norms and work standards for important work processes spelt out clearly in the Client's Charter, public officials will be prevented from soliciting for any gratification by delaying or expediting approval of any licence or permit.

Additionally, the top management in a department continuously supervises assignments undertaken by their subordinates. Close supervision is undertaken particularly on those assignments which are easily exposed to corrupt practices. By doing this, it is assured that no public official is involved in mismanagement, negligence or non-adherence to the rules set by the Government.

Implementing change

Various efforts have been taken to step up preventive measures and enforcement of laws to prevent corruption from spreading amongst civil servants. Among the preventive measures taken by the Government are:

a. Positive vetting

The Government has issued the General Circular (Confidential) No. 1/1985 which gives powers to the Anti-Corruption Agency (ACA) to carry out positive vetting on public officers. This vetting is carried out from time to time to ensure that only officers who are not involved in corruption or malpractices are recommended for promotion; acting to promotion; optional retirement; receiving Federal or State Awards; and other related purposes.

b. Introduction of the Anti-Corruption Agency Report

The old format of the Disciplinary Report prepared by the ACA was extremely long and information pertaining to offences alleged to have been committed by an officer were not clear, resulting in follow-up action being hampered. In order to improve and streamline the format of reports, a new and more comprehensive format entitled "ACA Report to the Head of Department" was introduced which included matters such as objectives, personal particulars of the officer, the background of the case, the findings of the ACA's investigation, conclusions and recommendations.

The new format enables the various Disciplinary Boards and Heads of Department to obtain clearer information regarding the personal particulars, post held, charges and the breach of the particular regulation. With this, the Disciplinary Board and the head of department are able to make decisions more speedily and appropriately concerning any case. Until October 1993, the ACA had prepared 114 such reports.

c. Prevention through law enforcement

The Anti-Corruption Act, 1961 and the Ordinance No. 22, Emergency Powers 1970, as well as many other regulations give ACA powers to investigate, arrest and prosecute those involved in corrupt activities. In carrying out their duties ACA will investigate anyone irrespective of his/her position or post. In order to establish public confidence and creditability, ACA is impartial and neutral in all its actions. Up to October 1993, ACA had arrested 157 civil servants involved in various corrupt practices.

d. Prevention through administrative proceedings

In the preventive efforts through administrative measures, ACA has carried out the following:

- surprise inspections on government departments throughout the country;
- joint operations with the co-operation of other law enforcement agencies such as The Royal Malaysian Police, Road Transport Department, Anti-Smuggling Unit, Islamic Religious Department, The Royal Customs and Excise Department, Local Authorities and the Ministry of Domestic Trade and Consumer Affairs; and
- official visits to government departments throughout the country.

e. Prevention through information dissemination and education

The Government is aware that a society free of corruption is vital to support the various development programmes of the nation. As such the co-operation and support of everyone are important in enhancing the effectiveness of corruption prevention activities. Understanding these realities, the Government has also embarked on activities to prevent corrupt practices through information dissemination and education.

f. Computerisation of management information systems pertaining to intelligence and investigation

Information represents an important tool for management. Information must be collected, and processed efficiently so that it is readily available for analysis. Knowing the importance of this, ACA implemented a computerisation programme for critical information such as records of investigation and complaints received. The computerisation of this information has helped to increase the effectiveness of ACA in undertaking its various talks of combating corruption. ACA is also in the process of linking its computer at headquarters with divisions and operational branches.

Supporting material

(i) The Civil Service of Malaysia – A Paradigm Shift (Chapter 7)

(ii) Improvements and Development in the Public Service 1992 (Chapter 7, pp.427-438)

(iii) Prevention of Corruption Act 1961

(iv) Emergency Ordinance No. 22 (Essential Powers) 1970