

# Anti-Corruption Plan





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# FROM OUR LEADERS

## CHAIRMAN OF THE BOARD

Dear Stakeholders,

Efforts have been made to raise awareness about corruption and the damaging effects it has on the welfare of a person, families, organisations, and countries. Corruption in any organisation not only damages economic decision-making, it also undermines trustworthiness, integrity, competitiveness and ultimately, reverses economic growth.

In 2019, the federal government developed The National Anti-Corruption Plan (NACP) to make “Malaysia to be known for integrity and not corruption”. The NACP reflects the people’s expectations for this nation to turn the page on corruption and become a country known for transparency, accountability, and integrity in every Malaysian.

NACP continues to be central to the Federal Government’s focus, with the Prime Minister’s consistency to uphold the principles of good governance and weed out corrupt practices.

Taking guidance from the federal government’s effort, we have developed AACP, Air Selangor’s Organisational Anti-Corruption Plan to support the NACP.

The AACP is a crucial document to improve governance, integrity, and commitment to anti-corruption within Air Selangor.

I am certain that the AACP will help guide us to achieve our vision to be the leading water services provider in Asia by 2030.

Thank you.

**Yang Amat Berhormat Dato' Seri Amirudin Bin Shari**  
Chairman

“  
*The AACP is a fundamental anti-corruption document to curb weaknesses and issues regarding governance, integrity, and anti-corruption within Air Selangor.*



## ACTING CHIEF EXECUTIVE OFFICER

Dear Colleagues and Stakeholders,

Integrity, Honesty, Professionalism, Highest Standard of Services, and Teamwork – these are Air Selangor’s core values which constitute our pledge to deliver the Best Customer Experience with utmost transparency and accountability.

Corruption is indeed the greatest threat to an organisation. To inculcate good governance, we must wholeheartedly commit to zero tolerance towards corruption. With that, I am pleased to unveil Air Selangor’s Organisation Anti-Corruption Plan (AACP) for 2021 – 2025.

The AACP will serve as Air Selangor’s holistic anti-corruption strategic plan to achieve our aspiration to become an impeccably ‘Corruption Free’ organisation by:

1. Identification of risks related to corruption
2. Establishment of corruption prevention measures
3. Planning of control mechanisms that safeguard our mindset and business ecosystem

In our pursuit for excellence, the AACP will also be our guiding compass in doing the right thing even when no one is watching. Top-notch corporate governance, exemplary ethical behaviours, and strengthened stakeholder confidence – will be our priority.

Let’s make an unwavering commitment to build a corruption free organisation together. Each one of us is an AACP flagbearer.

Thank you.

**Ir. Abas Abdullah**  
Acting Chief Executive Officer





## ANTI-BRIBERY & ANTI-CORRUPTION POLICY STATEMENT

Pengurusan Air Selangor Sdn Bhd (Air Selangor) is committed to conducting all our business dealings with the highest integrity, transparency, and fairness and fully complying with any relevant laws and regulations. In line with this commitment, we take zero-tolerance against any act of bribery & corruption and will ensure strict adherence to the requirements under Malaysia Anti-Corruption Commission Act.

In upholding our commitment above, and our aspiration to achieve a “Zero Corruption” status in Air Selangor, the Board of Directors (the Board) and Senior Management members (the Management) of Air Selangor has approved and supported the implementation of Air Selangor’s Anti-Bribery & Anti-Corruption Policy and Procedures (ABAC Procedure).

Under the ABAC Procedure, Air Selangor strictly prohibits all its Employees and Directors, which includes their relatives, and close family members, from giving or offering, accepting, soliciting and/or receiving any forms of undue advantages to or from any parties we are dealing with. Air Selangor is also strictly against any practice of abuse of power and/or position to gain personal and/or commercial advantage.

The same standard of integrity is expected from all our Business Associates when doing business on behalf of, with and/or for us.

Air Selangor has a dedicated channel for anyone with information regarding any non-adherence to the above commitment, committed by any of our Employees, Directors, and Business Associates. Information regarding the above non-adherence may be channelled to [etika.air@airselangor.com](mailto:etika.air@airselangor.com).

This channel is governed under Air Selangor’s Whistleblowing Policy, whereby the whistleblower's identity will be kept highly confidential, and no parties may retaliate against individuals who reported in good faith.

# BACKGROUND

### Introduction to Air Selangor

Air Selangor serves as the sole public water services provider in Selangor, Kuala Lumpur, and Putrajaya (Distribution Area) and is responsible for abstracting, treating, and distributing treated water supply to 8.4 million consumers in our Distribution Area.

Air Selangor Holdings Berhad (AIS Holdings) is the immediate holding company and Menteri Besar Selangor (Incorporated), a corporate body formed under Enactment No.3 of the Menteri Besar Selangor (Incorporation), Enactment 1994 is the ultimate holding corporation of Air Selangor.

Since obtaining our license on 13 September 2019, we have been driven by our vision to be the leading water services provider in Asia and to strongly support the rapid urbanization in Selangor, Kuala Lumpur, and Putrajaya, which is also the hub of Malaysia’s economic growth.

We strive to continuously deliver our consumers clean, safe, and sustainable water. We achieve this through our continuous efforts to increase supply margin, improve operational efficiency at our water treatment plants (WTPs) and minimise losses in our distribution networks. Our unwavering commitment to deliver the best customer experience through a high standard of service is underpinned by the core values practiced by our employees.



## Establishment of Integrity Function in Air Selangor

In 2018, Malaysia has taken a proactive step in combating corruption in the country. This was by introducing the new Section 17A on Corporate Liability (the Section 17A) into the Malaysian Anti-Corruption Commission Act 2009 (MACC Act), which took effect on 1 June 2020.

In the same year, the Prime Minister Office (PMO) issued an order making it compulsory for all government-linked companies to set up a dedicated integrity function to enhance governance and integrity culture in the organisation. As Air Selangor is a state-owned company set up under the Companies Act 2016, Air Selangor does fall under this category. Echoing the PMO's order, Air Selangor took the necessary steps to set up its own Integrity Section (previously known as Integrity Unit) in October 2019, which has developed ever since. The Integrity Section is mandated with four main functions based on the PMO's order:

- Complaint Management
- Detection & Verification
- Integrity Enhancement, and
- Governance

On top of the PMO's order, Integrity Section is also guided by the Integrity Framework and Terms of Reference (the TOR) approved by the Board of Directors (BOD) in December 2019; to fulfil its mandates. The TOR outlines among others:

1. Integrity Management Roles and Responsibilities – explained in detail the responsibilities of all parties that are directly involved in managing Air Selangor's anti-corruption agenda, which range from the members of the BOD, BAC, Chief Executive Officer of Air Selangor (CEO), Head of Risk Management Department, Chief Integrity Officer (CIGO), and the members of the Integrity Section.
2. Approach to Integrity Framework – in its core, following the 4 main model steps, i.e. Plan, Do, Check, Act (PDCA) which supports and is an integral part of the Ministerial Guidelines on Adequate Procedures pursuant to the Section 17A.



3. Integrity Management Key Activities – The key activities within the TOR form part of the more elaborated integrity activities that will be outlined in this document. Some of the key activities indicated in the TOR are corruption risk management (CRM), design of the ABAC program (also known as the anti-corruption plan/integrity plan).

In term of reporting structure, Integrity Section is an independent function reporting directly to the Board of Audit Committee (BAC) and administratively to the Head of the Risk Management Department.

The Integrity Section as a function is actively involved in the continuous effort as to improve and strengthen integrity governance in Air Selangor through the following activities:

- To review and develop the policies and procedures impacting integrity aspects and ensuring compliance to legal requirements, best practices, and other standards.
- To promote a culture of integrity through training and communication by means of various learning methods and materials at different levels and types of stakeholders.
- To perform preliminary investigation, specifically in corruption-related cases.
- To conduct proactive discussions with departments and operations on their processes and identify pain points and develop strategy to mitigate corruption; and
- To report the progress of all integrity initiatives and corruption case statistics to the relevant governing regulatory bodies.

As Air Selangor heads towards a corruption-free organisation, the aim is to strengthen the engagement between the management and stakeholders by fostering an ethical working culture within Air Selangor as well as to ensure a high level of individual and collective accountability for their actions consistent with the company's defence against the Section 17A.



# AIR SELANGOR'S ANTI-CORRUPTION PLAN

The Need to Develop Air Selangor's Anti-Corruption Plan (AAP)

In supporting the national anti-corruption agenda as outlined in the NACP, especially on NACP's Strategy 6: Inculcating Good Governance in Corporate Entity, the AAP is developed anchoring on (4) four main strategies guided by the T.R.U.S.T Principles. With the establishment of AAP, the effort to inculcate integrity values, mitigate corruptions, enhancing governance, and operating with a higher level of transparency will be more systematic.



## MISSION

We deliver the best experience to our customer



## VISION

We will be the leading water services provider in Asia by 2030

# AIR SELANGOR'S ANTI-CORRUPTION PLAN STRATEGIES

- 01

Improvising the effectiveness and the integrity of the company's business
- 02

Inculcating a good ethical culture among stakeholders
- 03

Promoting transparency in conducting business for the company
- 04

Strengthening the governance structure of the company



# Air Selangor’s Existing Integrity and Anti-Corruption Initiatives (2019 – 2022)

During the initial inception of IGU in 2019, various integrity and anti-corruption had taken place, deriving from Annual Integrity Plan. The majority of these initiatives were completed between 2019 through 2022. The details of these initiatives are as below:

Initiative Owner	IGU	Integrity & Governance	HRAD	Human Resource & Administration
	PD	Procurement	FSD	Finance & Strategy
	IR	Industrial Relation	IAD	Internal Audit
	CBS	Customer Billing Services	RMD	Risk Management
	CCD	Corporate Communication	PCW	Planning & Capital Works

## 01 Improvising the effectiveness and the integrity of the company’s business

Our Initiatives	Initiative Owner
Continuous corruption risk assessment exercise for the company	IGU
Continuous pre-assessment exercise on vendors/third parties during procurement process to increase transparency, accountability, and good governance.	IGU - PD
Continuous implementation of Integrity Pact for all employees as well as business associates.	IR - PD
Continuous control, protect information and transparency of decision-making process by implementing a 2-tier evaluation method for all complex and critical tenders with an estimated value of RM5 million and above.	PD
Implemented regular analysis of irregular/suspicious award patterns for purchases below RM50,000 that is done by the respective department.	PD
Developed a mechanism to review the registration and renewal of contractors based on the validity of their capability, according to the category of the registered contractor applied for.	PD

## 02 Inculcating good ethical culture among stakeholders

Our Initiatives	Initiative Owner
<p>Continuous anti-corruption training and communication of anti-corruption policy to employees and business associates. This includes but is not limited to the following:</p> <ul style="list-style-type: none"> <li>ABAC e-learning for all employees with assessment.</li> <li>General ABAC roadshow for all employees.</li> <li>ABAC Briefing Sessions for Vendors and Panel Contractors and Consultants.</li> <li>Corporate Integrity Pledge for Senior Management.</li> <li>Implementation of Adequate Procedures in accordance with Section 17A (5) of the Corporate Liability Act.</li> </ul>	IGU
Continuous delivery of integrity and human values during induction programs of the company.	IGU
Imposed integrity pledge/Ikrar Bebas Rasuah to all employees. Achieved 100% employees signing rate of Ikrar Bebas Rasuah. To continue for all new employee, directors and vendors.	IGU
Continuous promotion of safety and core value through engagement, connectivity, and collaboration.	CBS
Conducted topical anti-corruption trainings.	IGU

### 03 Inculcating good ethical culture among stakeholders

Our Initiatives	Initiative Owner
<p>Carried out evaluation and perception study from the employees, customers, and business partners on integrity for the company:</p> <ul style="list-style-type: none"> <li>Integrity Assessment Tools for Employees in 2020.</li> <li>Tenderers' Satisfaction Survey 2020.</li> <li>Integrity &amp; Anti-Corruption Awareness Survey for Employees 2021.</li> <li>Pulse Check 2021 – Tenderers' Satisfaction Survey.</li> <li>Vendor Integrity Checklist.</li> </ul>	IGU
<p>Promoted transparency of whistleblowing channels and processes (including encouraging reporting in good faith and prohibition against retaliation):</p> <ul style="list-style-type: none"> <li>Revised Whistleblowing Policy &amp; Procedures (WBPP) in 2021.</li> <li>Whistleblowing Virtual Roadshow for employees 2021.</li> <li>Whistleblowing Virtual Roadshow for external stakeholders 2022.</li> </ul>	IGU
<p>Created an operational dashboard and promoted its utilisation for monitoring and analysing the abnormality of transactions.</p>	CBS

### 04 Strengthening the governance structure of the company

Our Initiatives	Initiative Owner
<p>Developed anti-corruption policy for the company and Board of Directors to be responsible for the approval of the policy as part of top management commitment. Air Selangor's first ABAC Procedures was approved in June 2020.</p>	IGU
<p>Established Integrity Section in September 2019, that reports directly to the Board Audit Committee.</p>	IGU
<p>Reviewed and improved integrity-related policies in 2020 and 2021.</p>	IGU
<p>Streamlined CSR policy by inserting a clause on the prohibition of political contribution to any individual or organisation for politically related purposes.</p>	CCD
<p>Reviewed and/or revised the No Gift Policy including the acceptance/giving of gifts, entertainment, sponsorship, and payment.</p>	IGU - CCD - HRAD
<p>ABAC Policy clearly states the prohibition of any unlawful payment made to any party/authority to facilitate processes for any reason.</p>	IGU
<p>Continuously review and strengthen the process of all types of claim payment (payment for employees' claims, contractors' claims etc.). This will be validated via periodic audits by IAD.</p>	FSD - IAD
<p>Continuously streamline policies and procedures amongst the regions to ensure the same practice performs and applied.</p>	CBS
<p>Developed enterprise content management system to centralise the record keeping of key documents/policies/records.</p>	RMD
<p>Developed the OACP for Air Selangor for 5 years plans (2021 - 2025).</p>	IGU



# Air Selangor's Planned Integrity and Anti-Corruption Initiatives (2023 – 2025)

Additionally, 35 initiatives are designed corresponding to all the (4) four key strategies. These initiatives have been identified and to be prioritised and initiated from 2023 – 2025. The details of these initiatives based on each strategy are as below:

01

Improvising the effectiveness and the integrity of the company's business

Our Initiatives	Initiative Owner	Deadline
To ensure procurement officers are equipped with relevant knowledge on subject matter for their categories and ability to challenge and provide feedback to originating department.	PD	Dec 2024
To conduct periodic audit at regions and WTPs.	IGU	Dec 2023
To strengthen the mechanism of enforcing job rotation for employees holding sensitive posts and as part of their career development.	HRAD	Dec 2023
To strengthen the current process of background checking of employees (especially those holding positions with high risk/responsibility) to include integrity vetting and other relevant background checking.	HRAD	June 2023
To develop CRA scoring methodology based on the risk level of the business processes.	IGU	Dec 2023
To establish a strong and effective mechanism for the issuance of permits to commence work related to Air Selangor.	PCW	Dec 2023
To ensure the personnel who are investigating and managing corruption cases are qualified and well-trained in the management of corruption cases (such as IR team, investigation from IGU/IR etc, CeIO).	IGU – IR	Dec 2023

To develop a case management system to register, track and automate the management of corruption reports/cases.	IGU – IR	Dec 2023
To increase accessibility and understanding of the integrity and anti-corruption policy by translating it into at least English and Bahasa Malaysia and explore various communications tools to reflect the policies such as infographics, flowcharts, videos etc.	IGU	Dec 2024
To introduce an additional mechanism for financial verification of contractors via tender bond/tender deposit charges for critical projects, projects where the withdrawal of successful tenderer will result in operational difficulties as well as prestigious projects, complex projects and/or projects that may affect country's safety, as identified by the implementing agency.	PD	Dec 2022
To use data analytics for procurement analysis. This will help to drive efficiency and productivity.	PD	Dec 2025
To improve and incorporate specific access to sensitive tender information.	PD	June 2023
To enforce job rotation for buyers involved in the procurement process.	PD	Dec 2024
To revisit and strengthen current purchasing practices (decentralised) at region offices and WTPs. Plan is to move towards increasing the centralisation of purchasing activities and allow PD to have more oversight. Buyers at Regions/WTPs will be trained to be more strategic and to challenge/validate the purchasing requests raised.	PD	Dec 2024
To review the standard operating procedure for pipe leaks and pipe burst repair works and water meter-related activities to prevent irregularities.	CBS/ Distribution	June 2024
To perform a bi-yearly review of system required access and remove unnecessary system-required to access granted to the staff.	CBS	Dec 2023

## 02 Inculcating good ethical culture among stakeholders

Our Initiatives	Initiative Owner	Deadline
To expand the medium of coverage such as social media to disseminate messages on anti-corruption in collaboration with related departments (e.g. CCD, RMD).	IGU	June 2023
To collaborate with religious bodies and NGOs on anti-corruption message/workshop.	IGU	Dec 2023
To encourage our business partners to be certified under MS ISO 37001 in order to bid for Air Selangor contract.	IGU – PD	Dec 2023
To include anti-corruption related KPIs for the high-risk department	IGU – HRAD	Dec 2023
To strengthen accountability for all Contract Administrators Representatives to execute projects based on the agreed timeline and within the contract terms.	PD	Dec 2023
To conduct annual ethics training for staff involved in the procurement process	IGU – PD	Dec 2023
To initiate programs related to integrity awareness and financial management via collaboration with external bodies (such as SPRM, AKPK etc.)	HRAD	Dec 2023
To create and enhance clear roles and responsibilities cross-section, unit, function, and department.	CBS	Dec 2023

## 03 Inculcating good ethical culture among stakeholders

Our Initiatives	Initiative Owner	Deadline
To strengthen the current Integrity Pact to be aligned with international standards.	IGU	Dec 2023
To streamline the tender bond requirement for critical and complex projects or contracts.	PD	June 2023
To conduct periodic review of procurement process to ensure buyers uphold the principle of good governance.	PD	June 2023

## 04 Strengthening the governance structure of the company

Our Initiatives	Initiative Owner	Deadline
To develop and enforce a clean table policy (no papers/documents when leaving the workstations).	IGU	Dec 2023
To develop a policy/process that prohibits the issuance of support letters from Air Selangor or any staff of the company.	PD	Dec 2023
To get Air Selangor certified in the Anti-Bribery Management System (ABMS) MS ISO 37001.	IGU	June 2023
To encourage the participation of IGU members and other related function such as IR, IAD in the CeIO program.	IGU	Dec 2023
To centralise reports and data on panel contractors' performance.	PD	Dec 2023
To carry out governance reforms by improving policies and practices for better project implementation and contract management to gain public confidence and trust in our projects and water operations.	PCW - PD	Dec 2023
To establish a support system with clear and auto aligned authority limit for the approval of each transaction and request with specific SLA	CBS	Dec 2023
To develop SOP and guidelines for the long-term smart meter plan and to regularly review its cost-benefit.	CBS	June 2024



# Governance Structure of the AACP

The following is our governance structure that will oversee the implementation of the AACP program. This is to ensure all parties involved in delivering this plan have good understanding of their roles and remain on track to deliver the action plans.



## Performance Evaluation of the Initiatives

The following indicators will measure the performance/results of the initiatives:-

1. Air Selangor employees' and business partners' awareness regarding anti-corruption
2. Number of corruption and integrity cases reported
3. Timeliness of initiatives' delivery

# CONCLUSION

The AACP is designed in line with the NACP, especially in supporting the NACP's Strategy 6: Inculcating Good Governance in Corporate Entity. In summary, the AACP is supported by our (4) four main strategies consisting of 59 initiatives.



### Strategy 1

Improving the effectiveness and the integrity of the company's business

22  
Initiatives

### Strategy 2

Inculcating good ethical culture among stakeholders

13  
Initiatives

### Strategy 3

Promoting transparency in conducting business for the company

6  
Initiatives

### Strategy 4

Strengthening the governance structure of the company

18  
Initiatives

Air Selangor's IGU Section will oversee the execution of this AACP, including owning several of the 59 initiatives and quarterly updates will be provided to the Management and the Board Audit Committee.



