




ASEAN CSR Vision 2020 Small Grants Fund

Final Project Report

This report is to be completed by the Implementer **within 1 month of the end of the effective date of the implementation of the project**. All Sections should be completed, and this form should be returned to the Project Coordinator in both soft and hard copies.

The final 20% disbursement cannot be made until the Final Project Report has been submitted and received by the Project Coordinator.

This Report must be accompanied by a Financial Report which shall be prepared in accordance with the submitted Budget and includes all original receipts/financial records.

A. Implementing Agency <i>Please spell out in full as the name has been registered and where relevant, only include acronyms after that</i>	The Malaysian Society for Transparency & Integrity (Transparency International Malaysia, TI-M)
B. Full Address / Country	<i>No.8, Lorong 12/17C, Section 12, 46200 Petaling Jaya, Selangor, Malaysia</i>
C. Contact Person & Details <i>Insert full name, designation and contact details here (include phone number & email). It is also recommended to provide an alternative contact point.</i>	<i>Pang Chin Fang, Project Officer</i> <i>Tel: +603 7960 6630, email: chinfang@transparency.org.my</i> <i>Dr. Muhammad Mohan Kittu bin Abdullah, Secretary-General of TI-M</i> <i>Tel: +603 7960 6630/6650, email: mmohan@transparency.org.my</i>
D. Authorised representative/signatory	 <i>Signature over Printed Name</i> <i>Designation: Dr. Muhammad Mohan, Secretary General</i> <i>Date: 26th July 2017</i>

Part 2: Project Summary

A. Project Title	<i>SPEAK UP AGAINST CORPORATE CORRUPTION: A FOCUS ON SMALL AND MEDIUM ENTERPRISES (SME)</i>		
B. Areas (country, city, town etc.) covered	Kuala Lumpur, Malaysia		
C. Planned Start Date	1 st Dec 2016	Actual Start Date	1 st Feb 2017
Planned Completion Date	30 th April 2017	Actual Completion Date	18 th July 2017
D. Explain any variance in Start/End dates	Year-end festive season and TI Corruption Perception Index Launching in January 2017		

E. Short Project Summary

Southeast Asia has been well recognized by its fast growing diversified economy. The recently adopted ASEAN Economic Community (AEC) signed by 4 ASEAN members create new opportunities as well as challenges to ASEAN businesses. To reap the maximum benefit, ASEAN businesses especially SME need to strengthen their governance and transparency by implementing effective preventive measures to reduce the corruption and bribery risk in their operation. However, due to lack of awareness and practical integrity solutions, SME that account for more than 95% of all business establishments in ASEAN economies remain unresponsive to these developments.

There is a need to foster the integrity culture among SME for sustainability and global competitiveness. A threefold approach is designed to address the need that ultimately lead to promulgation of rules and regulations and secure a level playing field for ASEAN businesses. Firstly, an Employee Handbook – Business Corruption focus on Malaysian SME as a point of reference will be published and followed by series of educational programmes to empower employees to speak up against companies' misconduct and fraudulent practices. The handbook will guide the employees in the SME to navigate challenges related to gifts, events and representations, facilitation payments, public authorities and business partners. TI-M will leverage on our institutional credibility and existing toll-free anti-corruption hotline to support and facilitate employees during the reporting process and therefore create a profound and sustainable culture of speaking up against corporate corruption.

F. Project Purpose (use the exact wording from the approved Project Proposal Form)

To raise the awareness of good governance, transparency and accountability among Small and Medium Enterprises (SMEs) for sustainability and competitiveness using threefold approach, i.e. information & education, support & facilitation and advocacy & reform.

Was the Purpose achieved? If not, give reasons. Please state your sources of information.

The Speak up against Corruption: SME handbooks published using the Small Grants Fund aims to educate employees to identify the common types of corruption and bribery at their workplace as well as the negative impacts of these unethical practices towards individual and businesses. TI-M committed to support and facilitate further with our toll-free anonymous speak-up hotline: 1800 220 122. Individuals who are affected by corruption can call us and they will be assisted and guided further

with an exchange of useful tips to handle the incident and prevent future occurrence.

This five month short-term project is part of the three years Business Integrity Advocacy Programme of TI-M to raise the awareness of good governance, transparency and accountability among SMEs. We intend to distribute the handbooks during seminars, forums and workshops for SMEs. Thus, the project has contributed towards the achievement of the purpose under the information and education approach. Much effort is needed to continuously raise the awareness among SMEs.

Did any external factors contribute to the achievement of the Purpose? Please describe.

The project was well accepted by SME Corporation of Malaysia, the central coordinating agency that formulates and develops strategies for SMEs in Malaysia. Deputy CEO of SME Corp attended the handbook launching event on 18th July 2017. TI-M will work closely with SME Corp to reach-out to more SMEs.

Were there any significant changes made to the project design after the commencement of the project (outputs, activities, budget, duration etc.)? Please describe the changes.

No significant changes on the planned activities, outputs and budget except for project duration. The project was started in February and completed on July 2017, 6-months in total. The request to extend the project for one more month was granted by ACN secretariat.

TI-M has spent about 2 months (original plan is 1 month) to work on handbook design and publication, from getting a suitable designer, concept presentation, few rounds of revisions, translation into Malay and Mandarin to printing. The planned launching event on June 2017 was postponed to July due to Ramadhan and Hari Raya.

G. Please describe any unplanned consequences from the project.

Not relevant.

Part 3 : Implementation

Were all the Milestones / Indicators of Success met or achieved as planned, with the planned results? If yes, please note the results. If not, please explain.

Add more lines as required

Milestone Number¹	Result <i>Achieved / Not achieved</i>
Research , data collection and stakeholder engagement	Partially Achieved. We have conducted desk research to collect information and a field visit to Thumbprints UTD Sdn Bhd, a SME that successfully implemented corporate integrity system (CIS) since 2012. The initial concept of the handbook has been shared with the company representative to access the practicality and feasibility of the content. Project

¹ List all milestones as stated on the approved Project Proposal Form

	<p>team received valuable insights during the visit, which focus on the common corrupt practices, employees' misconduct and success factors of an effective CIS-tone from the top, leadership by example and business culture. We understood the corruption and bribery risks of SMEs and their challenges to promote corrupt-free business environment.</p> <p>Stakeholder engagement appeared to be quite challenging, especially the low level of acceptance in combating corruption and bribery among SMEs. SMEs are not aware on the contribution they can make to promote business integrity. There are limited or no resources and incentives available for SMEs to adopt ethical business culture. The practice of paying bribes to public and private sector officials is rooted in the culture. SMEs are yet to be exposed to cost-effective preventive measures to reduce the bribery risks. Much effort is still required to get their confidence.</p>
Analysis of materials and editing	<p>Achieved.</p> <p>TI-M engaged a consultant to provide advice and solutions on business corruption. The analysis and editing job was carried out by TI-M's project officers with the help of interns. The content of the handbook was translated into Malay and Mandarin.</p>
Proof reading and finalisation	<p>Achieved.</p> <p>Beside proof reading and review by the consultant, the content of the handbook and also the translated versions were reviewed by TI Secretariat in Berlin and TI-M's executive committee members before finalizing.</p>
Handbook design and publication	<p>Achieved.</p> <p>TI-M appointed a designer to work on the illustrations and layout of the handbook. A total of 1,500 copies of handbooks have been printed, 500 each for three main languages. All copies will be distributed freely and can be downloaded from TI-M's website.</p>
Handbook launching event	<p>Achieved.</p> <p>TI-M managed to launch the SME handbook at Royal Selangor Club Dataran on 18th July 2017. There were 36 participants who attended the launching event, which include representatives from SME Corporation of Malaysia, local companies, individual members of TI-M, Malaysian Anti-Corruption Commission and BITU under the Prime Minister's Department. The event was covered by one local news channel, Astro Awani. http://transparency.org.my/bip-events/a-new-practical-guide-dedicated-to-smes-to-promote-corrupt-free-business-environment/</p>
<p>Were all the Outputs delivered as planned, with the planned results? If yes, please note the result. If not, please explain. <i>Add more lines as required</i></p>	
Output Number²	Result <i>Delivered / Not delivered</i>

² List all the Outputs as stated on the approved Project Proposal Form

Output: to publish Employee Handbook – Business Corruption	Delivered. Handbooks can be downloaded via TI-M website at http://transparency.org.my/media-and-publications/publications/speak-up-against-corruption-employees-handbook-for-smes/	
Were all the Activities completed as planned? If not, please explain.		
Planned Activities ³	Progress <i>Delivered / On track / Not delivered / Not on track</i>	
	Not relevant	
Was the project completed on Budget?		
Planned Total Cost	Actual Total Cost	Variance (<i>difference between planned and actual costs</i>)
RM 41,800	RM 38,168.95	RM3,631.05 (8.7%)
Please explain any variance in planned and actual expenditure, where the difference is greater than 5%.		
<p>1. Human resource:</p> <p>The project has been extended by 1 month to cover the extra time invested in handbook design, layout and finalisation. The extra cost incurred was RM3,450 or 25% from original budget.</p> <p>2. Consultation Fees:</p> <p>The appointed consultant has agreed to provide consultation to the project at special rate. The overall saving of RM 2,720 (-54%) was recorded.</p> <p>3. Proof reading & finalization:</p> <p>The consultant contributed to proof-reading and finalization of the handbooks. Beside this, project team managed to get officer in TI Secretariat, Berlin and executive committee members of TI-M to work on the review and finalization. Thus, no cost incurred under this.</p> <p>4. Handbook design, layout & Translation</p> <p>Project team tried to make the handbook more appealing to employees in SMEs by inserting more illustrations and graphics with less wording. This effort has caused a 35% increase in designing cost and also 70% reduction in translation fees.</p> <p>5. Printing:</p> <p>Cost of printing recorded a 13% increase from original budget since we only printed 500 copies for each language, thus no bulk printing discount.</p>		

³ Only list the activities (from the approved Project Proposal Form) which were not delivered as planned

Part 4: Sustainability, Risk Assessment & Stakeholder Analysis

What evidence do you have that the benefits of the project will be sustained? Please describe.

A SME survey by the Association of Chartered Certified Accountants (ACCA) in 2013 had shed light on how bribery and corruption affected SMEs and argues that smaller businesses need to be encouraged and supported in their efforts to combat these threats. The report further showed that 78% of respondents from Malaysia (highest percentage of all the countries analysed) said they do not think there is sufficient guidance to help SMEs in identifying and dealing with bribery and corruption.

The publication of SME handbook has contributed to provide a basic guidance to SMEs that covered the common types of corruption and bribery, the impact of corruption, the penalty and offences and also TI-M Speak Up hotline that served as another reporting channel for affected individuals.

Post-launching collaboration with SME Corporation of Malaysia provide a great opportunity to TI-M to reach-out to the young entrepreneurs and owners of small companies. Moving forward, a simplified corporate integrity framework based on the following, but not limited to, should be produced;

- TI's Business Principles for Countering Bribery: SME Edition;
- OECD Good Practice Guidance on Internal Controls, Ethics and Compliance;
- Guiding principles of ISO 37001:2016 Anti Bribery Management System.

What were the three main lessons identified that could be applicable to running this type of project again?

1. Establish a group of stakeholders which include academia, business associations and civil societies to develop practical framework and guidance collectively;
2. Invest in e-book or interactive media and reduce printing;
3. Adopt strategic communication approach to promote the handbook.

We would welcome your feedback and comments on ACN procedures and systems in relation to the project

Funding procedures are clear and effective. It is recommended that a short interim write-up is requested to ensure all projects are on track.

Signature	
Full Name	Dr. Muhammad Mohan Kittu bin Abdullah
Designation	Secretary General, TI Malaysia
Date	27 th July 2017

Photos (if any)



Dato' Akhbar Satar, President of TI-M (Right) handed over the handbooks to Mr. Rizal Nainy, Deputy CEO of SME Corporation of Malaysia



The launching event at Card Room, Royal Selangor Club Dataran



The Speak Up Against Corruption: Employees Handbook for SMEs



One of the creative ethics communication of Thumbprints UTD Sdn. Bhd.- ZERO CORRUPTION vehicle wrap

For Official Use

Programme Manager	
Are you satisfied that this report is fair and accurate?	Yes / No <i>(delete as appropriate)</i>
Is there a key lesson that ACN has learnt from this Project? Please describe	
Following completion of the project, what are the next steps?	

Signature	
Full Name / Designation	
Date	
Other Remarks	
CEO Comments: Please add your assessment of the effectiveness of the project	