

Name of Document:	IIUM Anti-Bribery and Corruption Framework	Version:	1
Approving Authority:	Board of Governors	Effective Date:	31st May 2022

TABLE OF CONTENTS

No.	Title	Page
1.0	INTRODUCTION	3
2.0	DEFINITIONS	3 - 5
3.0	T.R.U.S.T. PRINCIPLES	5 - 16
3.1	Top Level Commitment	
3.1.1	Board Charter	
3.1.2	Anti-Bribery and Corruption Framework	
3.1.3	Governance Structure	
3.1.4	Code of Ethics for Staff	
3.2	Risk Assessment	
3.3	Undertake Control Measures	
3.3.1	Anti-Bribery and Corruption Policy	
3.3.2	IIUM Code of Business Ethics	
3.3.3	Guidelines on Due Diligence	
3.3.4	Whistleblower Policy	
3.4	Systematic Review, Monitoring and Enforcement	
3.4.1	Internal Audit	
3.4.2	Management Review	
3.5	Training and Communication	
4.0	AREAS OF CONCERNS	16 - 17
4.1	Facilitation Payment	
4.2	Gift, Entertainment, Hospitality and Travel	
4.3	Donation and Sponsorship	
5.0	MANAGING EXTERNAL STAKEHOLDERS IN RELATION TO ANTI-BRIBERY	17
6.0	CONCLUSION	18

1.0 INTRODUCTION

The International Islamic University Malaysia (IIUM) was established based on the Tawhidic worldview and Islamic philosophy in recognition of Allah as the Lord of the Worlds (*Rabb al-alamin*) and absolute creator.

The guiding principles of IIUM Anti-Bribery and Corruption Framework (Framework) is to ensure that the Board Members, University Authorities, and all staff uphold good values and integrity towards the attainment of the University Vision and Mission.

The University is committed to conducting its business ethically and lawfully. The University aims to achieve the highest level of business ethics in the conduct of the university's businesses and to prevent the occurrence of bribery and corruption.

Thus, this Anti-Bribery and Corruption Framework outlines the University's principles and adequate procedures against bribery and corrupt practices in the conduct of its business. This is in line with the enforcement of corporate liability under the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amended 2018).

2.0 DEFINITIONS

“Board Members”	means the IIUM Board of Governors.
“Bribery”	means the act of corruptly offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so as to induce or influence an action or decision.
“Business associates”	means an external party with whom the University has, or plans to establish, some form of business relationship. This primarily include but not limited to counterparties and business partners, i.e. clients, customers, consultants, joint venture partners, affiliates, trainees, seconded staffs, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, volunteers, interns, sponsors, intermediaries, investors and service providers of any kind performing work or services with the University.

“University Authority”	means the Board, the Senate, the University Finance Committee and includes such other bodies as may be prescribed by Rules or Regulations.
“Corruption”	means the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description.
“Facilitation payments”	means the payments made to secure or expedite the performance of a routine or administrative duty or function that a person would normally be entitled to.
“Gratification”	<p>includes the meaning as defined in the amended MACC Act 2009, i.e.:</p> <ul style="list-style-type: none"> (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage; (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity; (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage; (e) any forbearance to demand any money or money’s worth or valuable thing; (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

Officer	means the Rector, Deputy Rector, Executive Director, Head of Campus, Campus Director, Legal Adviser, Chief Librarian, Dean and Deputy Dean, Director, Deputy Director, Head of Department or holder of any other office created by the Constitution.
“Public Body”, “Officer” and “Foreign Public Official”	includes the meaning as defined in Section 3 of the amended MACC Act 2009 [Amended 2018].
“Staff”	means any person employed under a contract of service with the University including temporary employees (including trainees or interns).
“Students”	means any undergraduate student, postgraduate student, part-time student, student under distance learning or off-campus programme, diploma student, matriculation student, and non-graduating student of the University.
“Vendors”	means the firm selected by the University to provide good or services.
“University”	means International Islamic University Malaysia.

3.0 T.R.U.S.T. PRINCIPLES

3.1 TOP LEVEL COMMITMENT

3.1.1 IIUM Board Charter

The University has established the IIUM Board Charter which forms the keystone for the IIUM’s Anti-Bribery and Corruption Framework and the relevant policies supporting the Framework. The Board Charter sets out the role, composition, responsibilities and code of ethics of the Board Members of International Islamic University Malaysia.

The Charter also outlines the role and responsibilities of the Chairman of the Board, Rector, Company Secretary and also the committee and sub-committees that are established to assist the Board members in its functions.

3.1.2 Anti-Bribery and Corruption Framework

The IIUM Anti-Bribery and Corruption Framework (ABC Framework) has considered among others, guidance issued by the Prime Minister's Department, i.e. Guidelines on Adequate Procedures Pursuant to Subsection (5) of Section 17A under the amended Malaysian Anti-Corruption Commission Act 2009 (Amended 2018), as well as other international best practices.

This Framework, which consists of procedures and key policies that address the University's corruption risks, and, together with general internal controls of the University, are aimed to mitigate corruption risks of the University.

The Framework aims to address all possibilities of bribery or corruption in the system through adequate internal control mechanisms. In the implementation of the Framework, University Authorities and staff are expected to exercise careful thoughts and good judgement, whilst applying the spirit and principles of this Framework, to manage all bribery or possible bribery situations.

In case of any doubt, staff of the University shall enquire or seek advice from the relevant Officer or University authority.

This Framework, including the policies and procedures referred to in the Framework, shall be reviewed when:

- a) there is a change in the law or circumstance in the University's business;
- b) there is a material change in the environment or circumstances in which the University is operating; or
- c) the current Framework is found to be inadequate.

In any event, this Framework, including the policies and procedures, shall be reviewed at least once every three (3) years.

The diagram below highlights how the various policies, procedures and controls of the University addresses the five principles outlined in the Ministerial Guidelines on Adequate Procedures.

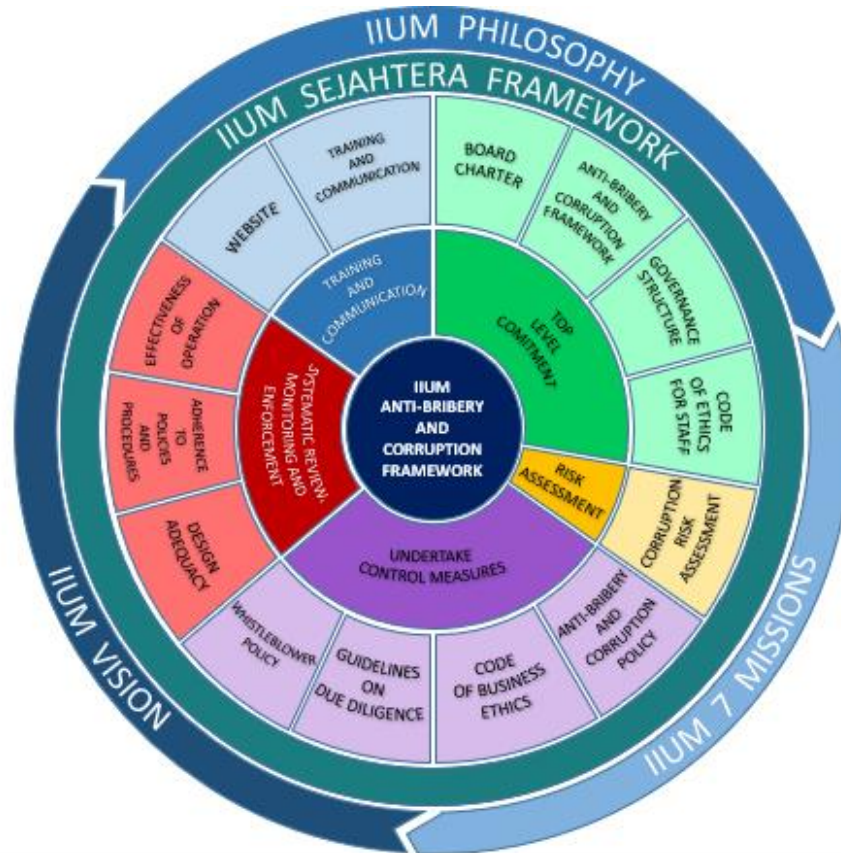


Diagram 1: IIUM Anti Bribery and Corruption Framework

3.1.3 Governance Structure

The governance structure of IIUM Anti-Bribery and Corruption Framework is designed based on IIUM Code of Ethics and UNESCO eight elements of good governance to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation.

In driving the University towards upholding its anti-bribery and corruption principles, the IIUM's Board Members are responsible to ensure ethical business culture and adequate procedures are in place.

The relevant authorities of the University are responsible to identify, assess, and manage corruption risks by formulating adequate procedures and guidelines as well as to emphasise the culture of good governance.

The term of reference of the University's top-level governance bodies are as follows:

Governance body	Key Responsibilities
Board Members	<ol style="list-style-type: none"> 1. Ensuring the University's vision and long-term strategy considers ethical business practices (including anti-bribery and corruption); 2. Determining the University's stances on anti-bribery and corruption; and 3. Overseeing the establishment, maintenance and review of the IIUM's Anti-Bribery and Corruption Framework.
Integrity and Governance Committee (IGC)	<ol style="list-style-type: none"> 1. Promoting a culture of integrity throughout the University, including managing corruption risks of the University; 2. Approving authority for the Anti-bribery Management System (ABMS) Policy and guidelines; and 3. Reporting to the Board of Governors on the operation of the anti-bribery management system and of allegations of serious or systematic bribery (if any).
University Management Committee (UMC)	<ol style="list-style-type: none"> 1. Ensuring the integration of the anti-bribery management system requirements into the organization's processes; 2. Encouraging the use of reporting procedures for suspected and actual bribery; and 3. Ensuring that no personnel will suffer retaliation, discrimination or disciplinary action for reports made in good faith, or on the basis of a reasonable belief of violation or suspected violation of the organization's anti-bribery policy, or for refusing to engage in bribery, even if such refusal can result in the organization losing business (except where the individual participated in the violation).

Audit Committee	Reviewing, including via the internal audit, the design adequacy and operating effectiveness of the University's internal control system pertaining to anti-bribery and corruption.
Management Review Committee	Ensuring the implementation and compliance of the IIUM's Anti-Bribery and Corruption Framework.
Risk Management Committee	<ol style="list-style-type: none"> 1. Ensuring a process is in place to identify, assess, manage, and monitor key bribery and corruption risks of the University; and 2. Reviewing the University's key bribery and corruption risk.



Diagram 2: Governance Structure

The respective key responsibilities of the university's governance bodies at the operational level are as follows:

Office incharge of integrity	<ol style="list-style-type: none"> 1. Ensuring that the anti-bribery management system, including policy and objectives, is established, implemented, maintained and reviewed to adequately address the organization's bribery risks; 2. Establishing effective anti-bribery and corruption controls and monitoring; which provides reasonable assurance that the University's corruption risks are managed; and 3. Communicating internally and externally regarding the anti-bribery policy; 4. Communicating internally the importance of effective anti-bribery management and of conforming to the anti-bribery management system requirements; 5. Managing and ensuring the communication and training of relevant internal and external stakeholders in relation to the IIUM's Anti-Bribery and Corruption Framework and relevant policies and procedures; and 6. Championing overall ABMS implementation in the University.
------------------------------	---

Management of Kulliyah/Centre/ Division/Institute/ Office/Mahallah	<ol style="list-style-type: none"> 1. Deploying adequate and appropriate resources for the effective operation of the anti-bribery management system; 2. Directing and supporting personnel to contribute to the effectiveness of the anti-bribery management system; 3. Promoting continual improvement; 4. Managing the University's corruption risks in accordance with University's anti-bribery and corruption policies and procedures; and 5. Providing advice and guidance to the University's Staff and business associates in relation to the IIUM's Anti-Bribery and Corruption Framework and relevant policies and procedures.
Office of Knowledge for Change and Advancement	Ensuring and monitoring compliance to ABMS ISO 37001 standards

3.1.4 Code of Ethics

The IIUM Code of Ethics is derived from the *Qur'ān* and *Sunnah* of the Prophet (peace be upon Him), and they are in accordance with the University's philosophy, vision and mission. The IIUM Code of Ethics has incorporated universal values to inspire excellence and guide good practices for the University community. It provides guidelines for all University communities to attain the highest possible standards of ethical conduct.

3.2 CORRUPTION RISK ASSESSMENT

The University has established a process for the identification, evaluation and management of corruption risk areas, focusing on the University's key corruption risk areas or areas where the University is exposed to a higher risk of corruption. The corruption risk assessment framework comprises the process of risk

identification, risk analysis, risk evaluation, risk treatment, risk documentation, risk monitoring and review.

The University Authority and Officer, such as Heads of Department, shall be responsible for the conduct of the Corruption Risk Assessment. The corruption risk assessment is to ensure the bribery or corruption risks could be resolved and abolished. It also enables the University to effectively manage the bribery and corruption risks in its business operations. Moreover, it would enhance and strengthen the commitment of the University to defeat corruption for sustaining a sound financial growth and a better reputation.

3.3 UNDERTAKE CONTROL MEASURES

3.3.1 Anti-Bribery and Corruption Policy

The University has established the Anti-Bribery and Corruption Policy which forms the foundation for the Anti-Bribery and Corruption Framework and the relevant policies supporting the Framework.

In principle, the Anti-Bribery and Corruption Policy is applicable to all the University's businesses, internal stakeholders as well as external stakeholders who conduct business with or for the University, including Board Members, all University Authorities, Officers, Staff, vendors, and business associates, with an objective to foster an ethical business environment and ecosystem,

In order to ensure the University's anti-bribery and corruption stances are made known to all external stakeholders of the University, the Anti-Bribery and Corruption Policy shall be made publicly available on the University's website.

The University's anti-bribery and corruption stances are as follows:

- a) The University adopts a zero-tolerance approach towards bribery and corruption and will not pay or receive bribes or corrupt gratification to or from anyone for any purpose.
- b) The University takes the upholding of its anti-bribery and corruption stances across the University's business and activities seriously and expects the same from the internal and external stakeholders.
- c) Board Members, University Authorities, Staff, vendors, business associates, and any third parties working for or on behalf of the University shall adhere

to and observe the University's anti-bribery and corruption stances and relevant provisions of this Policy.

- d) The University treats any violation of this Policy seriously and will undertake necessary actions, including, but not limited to, review of employment or appointment, disciplinary actions, dismissal, and reporting to the authorities, consistent with the relevant laws and regulations.

3.3.2 IIUM Code of Business Ethics

The University is committed to maintaining a high standard of business ethics. The University shall conduct business with honesty and integrity, and respect the integrity of persons with whom the University does business. In conducting the business, the University shall apply fair and impartial practices and comply with all laws and regulations. The University shall not engage in business practices that may raise questions of the University's integrity, impartiality, or reputation. Should the University conduct its business activities outside Malaysia, the University shall, in each country where the University is active, abide by the laws of that country.

3.3.3 Guidelines on Due Diligence

The Guidelines on Due Diligence has been formulated in order to enable the University to establish whether these arrangements:

- a) align to the University's strategic objectives;
- b) enable the University to assess the level of risk presented by the proposed partnership, appointment or admission; and
- c) ascertain whether the risk is commensurate with the benefits that partnership or appointment will bring.

The Due Diligence guidelines is intended to assist the University's risk management and ethical obligations in assessing whether the relationship with a potential partner or appointee is suitable and due diligence arrangement already in place.

3.3.4 Whistle-blower Policy

In order to facilitate the University in achieving its aim to prevent bribery/ corruption and uphold the highest level of business ethics, the University has established the whistleblowing mechanism, formalised via IIUM Whistle-blower Protection Policy.

This enables the University's internal and external stakeholders to report or disclose concerns relating to, amongst others, bribery and corrupt conduct or activities to the University without fear of reprisal.

The whistleblowing mechanism includes options for a whistle-blower to reach out to the highest level of executive position within the University and the highest level of independent non-executive governance position of the University to ensure check and balance is present and all whistleblowing reports or disclosures are treated fairly regardless of the position of the alleged wrongdoer.

The established whistleblowing mechanism also prescribes the basic principles and procedures which guide the investigation and reporting of whistleblowing cases received.

The IIUM Whistle-blower Protection Policy shall be made available on the University's website, ensuring accessibility to all stakeholders of the University.

3.4 SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

3.4.1 Internal Audit

The University conducts internal audits on its activities minimum once a year to ensure that the conformity to the planned requirements is effectively implemented and maintained. The scope of the audit includes the following objectives:

- a) To ensure compliance to Anti-Bribery & Anti-Corruption Policy statements and other related policies such as IIUM Staff Disciplinary Rules, IIUM Financial and Purchasing Policies & Procedures, etc.
- b) To ensure compliance to IIUM Anti-Bribery Management System Policy.

The audit is conducted by the internal auditors who are trained with ABMS. The audit shall also be conducted in accordance with the established procedures and the audit report is to be issued to the respective Heads of every Kulliyah /Centre/ Division/ Institute/ Office/ Mahallah(s).

The audit shall be reasonable, proportionate and risk-based and shall consist of reviewing of procedures, controls and systems for:

- a) bribery or / and suspected bribery;
- b) violation of the anti-bribery policy or anti-bribery management system requirements;
- c) failure of business associates to conform to the applicable the University anti-bribery requirements; and
- d) weaknesses in, or opportunities for improvement to the anti-bribery management system.

Besides the dedicated review of the IIUM's Anti-Bribery and Corruption Framework, the internal auditors shall also consider the possibility of bribery and corruption risks in other areas/ scope of their internal audit work.

3.4.2 Management Review

The Management Review Committee (MRC) of the University shall review the University's Anti-Bribery Management System on an annual basis to ensure its continuing suitability, adequacy and effectiveness. The MRC results shall include decisions related to continual improvement opportunities and need for changes to the anti-bribery management system. A summary of the results of the committee shall be reported to the relevant University Authority.

3.5 TRAINING AND COMMUNICATION

The objective of communication and training is to ensure the University's anti-bribery and corruption stances and measures, including policies and procedures, are conveyed to all of the University's stakeholders, where relevant.

Thus, the University shall plan on the communication mechanism to ensure Board Member, University Authorities, Officers and Staff understand and implement the ABMS. In order to ensure the effective implementation of ABMS, appropriate training will be designed so that they have adequate information about ABMS.

This includes communicating effectively, to the external stakeholders of the University, with regard to the University's stance on anti-bribery and corruption, such as anti-bribery and corruption-related policies adopted by the University, assistance and support provided by the University to fight bribery and corruption, and the consequences of not adhering to the University's policies and procedures.

For business environments and stakeholders which are more complex or which are exposed to higher corruption risk, more effort may be required not only to communicate with but also to educate stakeholders on the University's stances and measures on preventing bribery and corrupt activities.

4.0 AREAS OF CONCERN

The University has identified certain transactions which are more susceptible to bribery or corruption risks, and hence has developed policies and procedures to guide the use of these transactions in the conduct of the University's business and activities, to mitigate the bribery or corruption risks related to these specific transactions or areas.

4.1 Facilitation Payment

Facilitation payments include unofficial and improper payments or benefits, such as cash, gifts or entertainment, provided to secure or expedite a routine or necessary action to which the University is legally entitled. Facilitation payments are bribes and they could be small in value and solicited by both the public and private sectors.

The University views facilitation payment as a bribe, and prohibits the making of facilitation payments regardless:

- a) whether they are permitted by local laws; or
- b) the amount of the facilitation payment.

4.2 Gift, Entertainment and Travel

The giving and receiving of gifts, entertainment, hospitality or travel could be a common business practice in managing business relationships, especially in certain countries or cultural backgrounds. However, gifts, entertainment, hospitality or travel which may influence, or perceived to be able to influence, any business-related decisions or outcome may be construed as a bribe or corruption.

The University prohibits giving or receiving gifts, entertainment, hospitality or travel which may be construed as a bribe in the conduct of its business.

Assessments shall be made when giving or receiving a gift, entertainment, hospitality or travel to consider if it may influence, or may be perceived to be able to influence, any business-related decisions or outcome. The University has

established a Policy on Gift, Entertainment, Hospitality and Travel to guide such assessment, as well as to specify certain prohibitions.

4.3 Donation and Sponsorship

It is common practice for businesses to make donations to support the business' philanthropic activities or make sponsorships to promote the University's reputation, brands, products, and services. Donation and sponsorship can be made in monetary or non-monetary forms.

That said, improper or excessive donation or sponsorship, including donation or sponsorship which may be perceived as a form of bribe or corruption, may have negative impacts on the University such as legal consequences, financial losses, or reputational damage and hence shall not be given or received.

The University has established a Procedure to Solicit Funds and Sponsorship From Public which sets out the principles and specific prohibitions on donations and sponsorships made by the University.

5.0 MANAGING EXTERNAL STAKEHOLDERS IN RELATION TO ANTI-BRIBERY

Notwithstanding communication and training for external stakeholders, the University, its Board Members, University Authorities, Officers, Staff, vendors and business associates performing businesses or services for or on behalf of the University may still face challenges when conducting business activities. These situations could be due to various reasons, such as the difference in business culture or due to external parties which the University may not have any control or bargaining power (e.g. government officers).

The University has, thus, established a set of procedures to provide guidance to the Board Members, University Authorities, Officers, Staff, vendors and business associates to deal with circumstances where they are faced with an attempt or suspected attempt of bribery, regardless whether they are being offered or solicited for a bribe.

- i. IIUM Board Charter
- ii. IIUM Corruption Risk Assessment
- iii. IIUM Anti-Bribery and Corruption Policy
- iv. IIUM Code of Business Ethics

6.0 CONCLUSION

The IIUM Anti-Bribery and Corruption Framework is one of University efforts to support the University's vision and mission. This Framework inspires the University community for excellence and guides good practices to attain the highest possible standards of integrity. Everyone in the University is responsible towards moving and attaining 'Zero bribery and corruption' individually and collectively. Ultimately, the University community who are '*sejahtera*' and imbued with a high level of *amanah* will be able to manifest the spirit of *rahmatan lil-alam* for the community, locally, nationally and internationally.