AN INTERNATIONAL AWARD-WINNING INSTITUTION FOR SUSTAINABILITY

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IIUM ANTI-BRIBERY MANAGEMENT SYSTEM FRAMEWORK

PART 2:   IIUM CORRUPTION RISK ASSESSMENT

The University **adopts the methodology and process of risk assessment in-line with the IIUM Risk Management Policy (Revised 2021).** The office in-charge of integrity shall be responsible and accountable to conduct the Key Corruption Risk Assessment (KCRA) with the support from all Heads of Office in the University.

Methodology and Process

The corruption risk assessment framework methodology is derived from the **ISO31000 Risk Management – Guidelines** which is comprising the process of risk identification, risk analysis, risk evaluation, risk treatment, risk documentation, risk monitoring and review.

a) *Identifying the Corruption Risk Area*

The University should consider the **involvement of** stakeholders in the overall operations or activities that may expose to the corruption. Such activities are,
   i)   Procurement Process
   ii)   Teaching & Learning
   iii)   Research Funding
   iv)   Performance Appraisal
   v)   Student programme
   vi)   Development Project
   vii)   Monetary Claims, etc.

b) *Corruption Risk Analysis*

The accumulated data on issues and emerging risks should be analysed according to their **impact on the University's loss and reputation** as well as the existing controls. The risks should be evaluated based on its likelihood of the occurrence and consequences.

c) *Managing the Corruption Risk*

The University has **a zero tolerance** against any attempt or act related to bribery and corruption. The University through the Office in-charge of integrity is committed to eradicate the possibility of bribery and corruption

by cultivating the integrity culture among its staff. The top management would focus on the top key corruption risks by addressing them with efficient and effective controlsand mitigations.

d) *Corruption Risk Documentation*

The University should maintain and update records of the corruption risks in a **Risk Register** which include, but not limited to as follows:
i) Risk event, description and individual at risk
ii) Inherent Likelihood, Impact and Rating
iii) Corruption Risk Controls
iv) Residual Likelihood, Impact and Rating
v) Corruption Risk Mitigations
vi) Timeline for Corruption Risk Mitigation
vii) Risk Owners/Risk Actioners

e) *Corruption Risk Matrix*

In performing the **evaluation** of corruption risk, the University provides guidance in determining the likelihood and impact parameters as well as the riskheat map or rating.

i. Corruption Likelihood or Probability

Level	Rating	Description
1	Rare	May occur after five (5) years
2	Unlikely	May occur once in three (3) years
3	Possible	May occur once in a year
4	Likely	May occur several times a year
5	Almost Certain	May occur very frequent intervals e.g., at least monthly or weekly

ii. Corruption Consequence or Impact

Level	Rating	Description
1	Insignificant	• No legal suit consequences • Issuance of show cause/ explanation letter • Minimal or no impact on reputation

2	Minor	• Reprimand/warning letter from authorities • Minor negative reputation/recognition from international or national professional body e.g., MQA. BOE. MIA, MMC etc. • Unfavourable information that would not disrupt routine operations
3	Moderate	• Warning letter from authorities • Moderate negative reputation/ recognition from international or national professional body e.g., MQA. BOE. MIA, MMC etc.
4	High	• Negative national media coverage • Complaints by industry practitioner that could disrupt the University's routine activities in short term
5	Extremely High	• Temporary suspension of the University's activities • Major negative reputation/ recognition from international or national professional body e.g., MQA. BOE. MIA, MMC etc. • Serious international media coverage • Loss of trust from stakeholders e.g., industry, parents, alumni etc.

iii. Corruption Risk Matrix

The Inherent Corruption Risk Rating and Residual Corruption Risk Rating are derived using the following risk matrix:

Level of Likelihood	Level of Impact				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extremely High (5)
Almost Certain (5)	Medium	Significant	High	High	Extremely High
Likely (4)	Low	Medium	Significant	High	High
Possible (3)	Low	Medium	Medium	Significant	High
Unlikely (2)	Low	Low	Medium	Medium	Significant
Rare (1)	Low	Low	Low	Low	Medium

Risk rating is based on the following calculation:

Level of Likelihood **X** *Level of Impact = Risk Score or Rating*

The risk ratings are categorized into five scale, as shown in the table below. It is based on their likelihood of occurrence and consequence or impact.

No.	Total Score	Risk Matrix Level	Description
1.	1 – 4	Low	Occurrence of bribery or corruption is low and no management action required
2.	5 – 9	Medium	Occurrence of bribery or corruption is moderate. Management may consider if any action plan needs to be developed
3.	10 – 14	Significant	Occurrence of bribery or corruption is significant and management shall develop action plan to reduce exposure
4.	15 – 20	High	Occurrence of bribery or corruption is almost certain and management shall immediately initiate action plan to reduce exposure
5.	25	Extremely High	

f) *Corruption Risk Treatment Strategy*

The corruption risk treatment options for management's consideration comprise:

Risk Treatment Strategy	Management Action Plan
Accept	The management may make informed decision to accept the risk without any further actions.
Avoid	If the risk in considered unacceptable, management may avoid the risk by deciding not to start o continue with the activity to prevent the occurrence of risks.
Reduce	The management may reduce risk by taking steps to minimise its impact and/or likelihood of occurrence
Transfer	The management may decide to transfer or share the risk by transferring the risk to another party or parties to shift the loss or liability

g) Corruption Risk Documentation

All identified University corruption key risks shall be recorded and documented in the Risk Register maintained by the Office in-charge of integrity. Example of the contents of Risk Register is not limited to as shown below:

Items to be Included	Description of Action
Risk Identity Number	Determine how the risk ID to be numbered such as using the "CR001" where CR refers to Corruption Risk.
Issue	Identify the scope, context and criteria of the risk and list down all relevant issues.
Risk Event & Description	State the event of the identified risk with it full description of occurrence.
Risk Root Cause	Analyse the root cause of the risk.
Inherent Risk Matrix	Evaluate the level of risk impact and likelihood.
Existing Control	Identify and evaluate the existing control of the University to curb the risk from happening.
Risk Strategy	Determine the management level of acceptance towards the risks.
Risk Mitigation Plan	If the management intends to reduce the risk, the list of mitigation plan is required.
Timeline for Mitigation	Set the date of completion for all mitigations as planned.
Residual Risk Matrix	Expectation of management to the probability of risk to be occurred as well as its consequences are reducing if the mitigation is act upon appropriately and sufficiently,
Risk Owner	Accountable position or individual to monitor the risk is not happening after all controls or mitigations are in place.
Risk Status	Review the risk controls or mitigations effectiveness.

h) Corruption Risk Monitoring and Review

Assessment of the University Corruption Key Risk shall be conducted on annual basis. This includes the monitoring of existing controls and/or mitigation planseffectiveness and its progress. The following table shows a rating and progressof corruption risk controls and mitigation plans.

i) Control/Mitigation Effectiveness

Rating	Effectiveness Description
Very Good	▪ Management aware and manages risk well. ▪ Mitigations are strong and sufficient to manage risk adequately. ▪ Compliance in place.
Good	▪ No major issues with mitigations and compliance. ▪ Mitigations are adequate and sufficiently robust.
Satisfactory	▪ Mitigations and compliances are generally in place. ▪ Minimum mitigation issues.
Unsatisfactory	▪ Mitigations are inadequate and not sufficiently robust to manage risks. ▪ Many mitigation lapses and/or non-compliance issues.
Poor	▪ Absence of mitigations. ▪ Non-compliance to policies and procedures. ▪ Generally, lack of compliance culture.

ii) Control/Mitigation progress status

Corruption Risk Status	Description
Open	New corruption risk identified and awaiting action.
Closed	Corruption risk closed e.g., no longer a concern, rejected, etc.
In-Progress	Corruption risk undergoing treatment or mitigation activities.
Monitoring	Corruption risk treatment or mitigation activities are completed and being monitored.

The University Corruption Risk Register or risk management plan should be communicated to all staff accordingly. The Office in-charge of integrity should develop the corruption risk-aware culture through trainings, workshop, campaign, special event and so on and so forth.

This is to ensure the bribery or corruption risks could be dramatically resolved and abolished. Moreover, it would enhance and strengthen the commitment of the University management to defeat the corruption for sustaining a sound financial growth and a better reputation.