

I

PILLAR



Reforming Governance towards
Greater Transparency and Enhancing
Efficiency of Public Service





Introduction

The dawn of a new administration signals the need for a holistic reform of the Government with stronger democratic governance. The reform agenda necessitates the highest standards of ethics, conduct and good governance at all levels to strengthen transparency and accountability in order to regain the trust and confidence of the *rakyat*. In this regard, the values and principles of rule of law, integrity, equity and inclusiveness will be imbued across all levels and proper mechanisms will be implemented to prevent abuse of power. At the same time, the public service must deliver equitable and quality services with efficiency and effectiveness through collective efforts, dedication and creativity focusing on priorities that matter the most to the *rakyat*.

During the review period, 2016-2017, efforts were undertaken to transform public service delivery, addressing areas such as bureaucracy, digitalisation, talent and project management as well as local authority services. Despite these efforts, the impact achieved to improve public services in a comprehensive and sustainable manner was hampered by, among others allegations of corruption, lack of transparency and accountability as well as inefficient resource and financial management. These issues and challenges have undermined the credibility and worthiness of public sector institutions. Therefore, with the new Government at the helm, principles of good governance, openness and fair distribution through a transparent democratic process will be fundamental in charting new priorities in the development agenda.

In the remaining Plan period, 2018-2020, measures will be undertaken to reform the Government administration, which covers the separation of power between the executive, legislative and judiciary towards greater transparency and accountability. This is to ensure checks and balances in line with the Federal Constitution. These efforts will cover four priority areas, namely improving governance at all levels, elevating integrity and accountability, enforcing prudent public finance management and enhancing public service delivery. As such, a comprehensive reform is required to ensure a Government worthy of trust and confidence of the *rakyat*.





New Priorities and Emphases, 2018-2020

Cognisant of the issues and challenges faced by the new Government, especially concerning trust deficit on the previous Government, significant changes are required to restore the trust and confidence of the public. Therefore, the Government will introduce comprehensive reforms¹ to strengthen the administrative

capacity and improve governance. The priority areas and strategies for reforming governance towards greater transparency and enhancing efficiency of the public service in the remaining Plan period are as shown in *Exhibit 10-1*.

Exhibit 10-1

Reforming Governance towards Greater Transparency and Enhancing Efficiency of Public Service

Priority Area A

Improving governance at all levels

Strategy A1

Strengthening check and balance mechanism

Strategy A2

Improving relationship between Federal, state and local governments

Strategy A3

Reforming the political system

Priority Area B

Elevating integrity and accountability

Strategy B1

Enhancing anti-corruption agenda

Strategy B2

Improving transparency

Strategy B3

Inculcating noble values and ethical work practices

Priority Area C

Enforcing prudent public finance management

Strategy C1

Improving the budgeting system

Strategy C2

Enhancing procurement management

Strategy C3

Strengthening performance management, monitoring and evaluation framework

Priority Area D

Enhancing public service delivery

Strategy D1

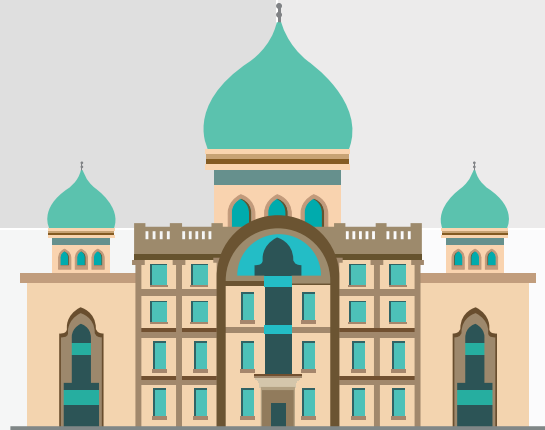
Reforming public sector institutions

Strategy D2

Redesigning public services

Strategy D3

Empowering local authorities



¹ Some of the reforms require amendments to the Federal Constitution and respective legislation.

Selected Targets, 2020

Improving governance at all levels



Reintroduce
Parliamentary Services Act 1963

Elevating integrity and accountability



Top 30 in the
Corruption Perception Index
by the Transparency International

Enforcing prudent public finance management



Fiscal deficit at 3.2% to
gross domestic product (GDP)

Enhancing public service delivery



Top 15 in the
Online Service sub-index of the
United Nations e-Government
Development Index



Top 10 in the
Government Efficiency sub-index of
the World Competitiveness Yearbook

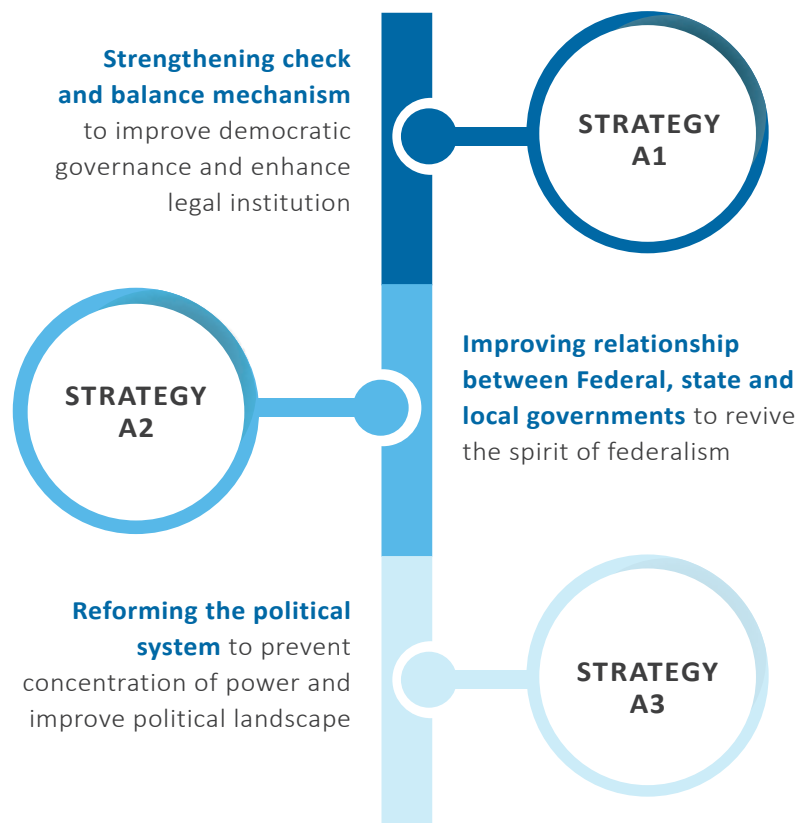


90% of local authorities achieve
minimum 4-star out of 5-star rating
based on the *Sistem Penarafan Bintang
Pihak Berkuasa Tempatan (SPB-PBT)*



Priority Area A: Improving Governance at All Levels

The current institutional set-up is inadequate to ensure checks and balances between the executive, legislative and judiciary as Malaysia embraces a new political era. Thus, the separation of powers is fundamental and must be executed effectively to prevent the concentration of power in a particular branch of government. This will ensure public sector institutions are organised and managed in line with good governance, which requires transparent and accountable execution of authority. In the remaining Plan period, three main strategies to improve governance will be implemented as follows:



Strategy A1: Strengthening Check and Balance Mechanism

In the remaining Plan period, several initiatives will be implemented to strengthen the check and balance mechanism in the Government administration. These initiatives will uphold the separation of powers in line with the fundamental component of a modern democratic government. In this regard, the authority of the Parliament will be enhanced and the role of the Office of the Attorney General will be improved to ensure better democratic governance and enhance legal administration.

Enhancing the authority of the Parliament

The Parliament is an important component of a democratic governance system. An effective Parliament contributes significantly towards enhancing state capability, accountability and responsiveness as well as to ensure executive powers is kept in check. Establishing the autonomy of the Parliament is crucial, both from the financial and operational perspectives to ensure better administration, staffing and budgeting. The Parliamentary Services Act 1963, which was repealed in 1992, will be reintroduced with improvements in line with the current socio-political and economic environment.

A strong select committee system, which comprise Members of Parliament across political parties, is essential to a well-functioning Parliament. Measures will be implemented to institutionalise the select committee system in the *Dewan Rakyat* and *Dewan Negara* and to empower Parliamentary committees to oversee the executive. This committee plays a vital role in gathering information, investigating and reporting to the Parliament on issues of public interest. Committees will be provided with appropriate resources to enable effective execution of function.

In improving transparency and accountability as well as increasing checks and balances, commissions such as the Malaysian Anti-Corruption Commission (MACC) and Election Commission of Malaysia (SPR) will be answerable directly to the Parliament.

In addition, select committees must endorse the appointment of key positions among others including in MACC, SPR, National Audit Department (JAN) and Judicial Appointments Commission. In this regard, efforts will be intensified to ensure these commitments are institutionalised.

Improving the legal administration system

In the current legal administration system, the same person represents the roles of the Attorney General and the Public Prosecutor. In upholding the spirit of separation of powers and rule of law, it is important for the two functions to be executed by different persons. The separation of representative will ensure that both duties can be conducted independently and be free from the perception of political influence. In the remaining Plan period, concerted efforts to separate the representative of these two functions will be undertaken by studying best practices globally.

Strategy A2: Improving Relationship between Federal, State and Local Governments

Malaysia's administrative system adopts a three-tiered government structure, namely Federal, state and local governments. The roles and functions of the three tiers of government are clearly defined in the Federal Constitution. However, most of the jurisdictions were, in practice, administered by the Federal Government, limiting the power of the state to undertake and monitor socioeconomic or infrastructure development activities. This in turn, limits the capability of state to generate more income. In this regard, the relationship between Federal, state and local governments will be improved to revive the spirit of federalism.

Reviving the spirit of federalism

In the remaining Plan period, the principles of federalism will be further practised, which defines a clear division of power between the Federal and state governments as outlined in the Ninth Schedule of the Federal Constitution. In this regard, state governments will be empowered to run their administrations by decentralising some functions including public transport, social

services, agriculture development and environmental protection. Meanwhile, states such as Sabah, Sarawak, Kelantan, Terengganu, Kedah and Perlis will be given priority in the distribution of development allocation to promote more balanced socioeconomic development.

Strategy A3: Reforming the Political System

In ensuring a robust and democratic political system, three initiatives will be implemented in the remaining Plan period. The initiatives are limiting the term of office for the Prime Minister, Chief Minister and *Menteri Besar*, improving the electoral system and introducing legislation governing political financing. The implementation of these initiatives will improve the Malaysian political landscape and ensure better transparency and accountability.

Limiting the term of Office for the Prime Minister, Chief Minister and Menteri Besar

The excessive concentration of power in the Prime Minister before this has had a negative repercussion on the nation and has contributed to trust deficit among the *rakyat*. Realising the negative effects of power concentration, efforts will be undertaken to limit the term of office for the Prime Minister, Chief Minister and *Menteri Besar* for two terms to curb possible power abuse and corruption. This will require amendments to the Federal Constitutions and the respective State Constitutions. Meanwhile, other measures include ensuring the Prime Minister does not hold other ministerial posts simultaneously. In this regard, a comparative study will be undertaken to develop a robust system that suits the socio-political needs of the country.

Improving the electoral system

In Malaysia, the right to vote is guaranteed by the Federal Constitution where a citizen who has reached the age of 21 years, resident in a particular election constituency and has been registered as a voter, is eligible and has the right to vote. In ensuring better participation especially among youth, efforts



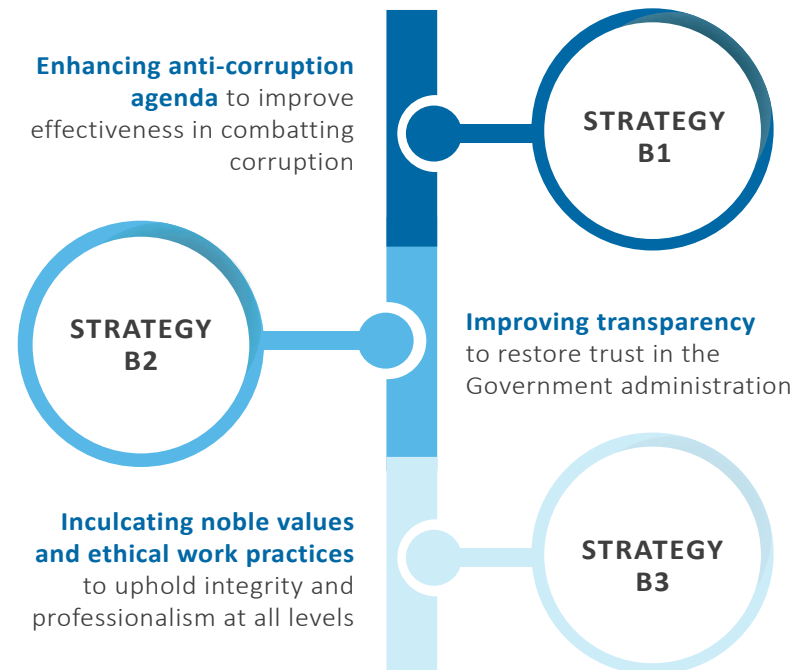
will be undertaken to lower the minimum voting age to 18 years. In addition, comprehensive reforms, including cleaning up the electoral roll, improving postal voting and providing fair access to the media for all competing parties will be pursued.

Introducing legislation governing political financing

In order to regulate political financing, a legislation on political financing will be introduced to safeguard against the power of incumbency. The absence of a regulatory system has resulted in money politics and created an unequal playing field for political parties. The issue of political financing in Malaysia is not confined to the movement of cash to or from a political party or a politician but also includes indirect forms of financing. A proper framework will be developed to prevent unfair advantages and promote greater transparency and accountability in raising and spending funds for political purposes.

Priority Area B: Elevating Integrity and Accountability

In continuing efforts towards improving good governance and rule of law, issues related to integrity and accountability needs to be addressed comprehensively and consistently. During the review period, Malaysia's ranking in the Corruption Perception Index (CPI) dropped to 62nd out of 180 countries in 2017 compared with 55th out of 176 countries in 2016. The drop in the ranking necessitates tougher and rigorous proactive measures to reaffirm Malaysia's commitment towards fighting corruption. In the remaining Plan period, three main strategies will be implemented to elevate integrity and accountability as follows:



Strategy B1: Enhancing Anti-Corruption Agenda

In enhancing the anti-corruption agenda, institutions and legislation need to be strengthened to support a conducive and effective ecosystem. In the remaining Plan period, institutions such as MACC and Malaysian Institute of Integrity will be reformed. This is to ensure that the agencies or bodies involved in the fight against corruption assume full responsibility, do not overlap and deliver effectively. Meanwhile, current legislation and mechanism pertaining to corruption will be strengthened to improve effectiveness in combatting corruption.

Reforming Malaysia anti-corruption institutions

The MACC will be transformed into a fully independent body to empower and strengthen its role in eradicating corruption at all levels. The MACC Act 2009 will be reviewed comprehensively to ensure wider coverage of the MACC. In this regard, MACC will be able to execute efforts in fighting corruption effectively and efficiently.

In the remaining Plan period, efforts will be undertaken to improve effectiveness in combatting corruption. Therefore, the newly-established National Centre for Governance, Integrity and Anti-Corruption (GIACC) will be responsible for planning, formulating, coordinating and evaluating policies as well as strategies in embracing good governance, integrity and zero tolerance to corruption. GIACC will play an overarching role in coordinating and monitoring initiatives across various agencies holistically.

Strengthening anti-corruption legislation

Anti-corruption legislation will be continuously reviewed and strengthened to ensure its relevance with current development. As such, the Witness Protection Act 2009 and Whistleblower Protection Act 2010 will be enhanced to improve the protection of informants with regard to public interest disclosure of wrongdoings. In addition, greater engagement with all stakeholders including civil society, academia and reputable international bodies will be conducted to ensure anti-corruption legislation in Malaysia is holistic and at par with global best practices.

A comprehensive review will be undertaken to formulate suitable legislation providing tougher actions and better management of misconduct and wrongdoing among officer of a public body². The new legislation will be in line with Article 19 of the United Nations Convention Against Corruption (UNCAC) on the abuse of functions or positions. In addition, the existing rules and regulations on public officials conduct and discipline will be reviewed accordingly to ensure its effectiveness.

Strategy B2: Improving Transparency

Bureaucracy must be governed by professional values and rule of law while upholding the principle of neutrality. Political interference in the bureaucracy will not be allowed to adversely

affect the professionalism and breach procedures within the administration. Hence, efforts will be undertaken to rectify the weaknesses and strengthen the governance system while improving transparency and accountability. In the remaining Plan period, several initiatives will be implemented to improve transparency such as enabling open government environment and expanding cashless payments options for private and public sectors to restore trust in the Government administration.

Enabling open government environment

Malaysia is committed to embrace transparency in order to build trust by enabling an open government environment. In this regard, the Government will participate in relevant international platforms, such as the Open Government Partnership³. An open government will create new opportunities by allowing better data utilisation as well as interactive feedback between the Government and the public. Thus, the current National Open Data initiative will be intensified and pursued comprehensively to encourage innovative use of Government data by actions as follows:

- Review legislation and guidelines that hinder implementation of open data
- Establish an open data framework across Federal, state and local governments
- Develop an open data implementation roadmap as a guideline to agencies
- Implement a communication plan to increase awareness among agencies and the public
- Publish more key data for public consumption

² Under Section 3, MACC Act 2009, an officer of a public body is defined as any persons who is a member, an officer and an employee or a servant of a public body and includes Members of the Administration, Members of Parliament, Members of State Legislative Assembly, a judge of a High Court, Court of Appeal or Federal Court, and any person receiving any remuneration from public funds, and, where the public body is a corporation sole, include the person who is incorporated as such.

³ The Open Government Partnership was launched on 20 September 2011 with eight founding governments, namely Brazil, Indonesia, Mexico, Norway, the Philippines, South Africa, the United Kingdom and the United States by endorsing the Open Government Declaration.



In the remaining Plan period, legislation to promote freedom of information will be explored, enabling the public right to access official information. Meanwhile, efforts will be undertaken to review the Official Secrets Act 1972 to ensure the Act is solely used to protect national security and sovereignty. This will also guarantee that requirements of secrecy are not over-stated and abused among public officials.

An effective asset declaration system will be developed to ensure better asset declaration and detect abuse among politicians. In addition, the Code of Ethics for declaration of assets and gifts among Members of Parliament and Members of Administration including the Prime Minister and Deputy Prime Minister will be amended to ensure greater transparency and restore public confidence. The requirement to declare assets only to the Prime Minister as practised before will now be made available to the MACC. In this regard, MACC will be mandated to verify and monitor the assets declaration. Furthermore, legal provision for a mandatory declaration of asset among this group will be inserted under the MACC Act 2009.

Expanding cashless payments platform

In view of the growing expectations about greater transparency in financial transactions, it is crucial that government departments modernise payment mechanisms to become more client centric, secure, efficient and transparent. A cashless payment transaction system would ensure transparency as well as enable tracing and tracking. In the remaining Plan period, efforts will be intensified to expand e-payment platforms especially for government transactions for good governance and reducing corruption. In addition, efforts will be undertaken to leverage the potential use of other technologies including blockchain.

Strategy B3: Inculcating Noble Values and Ethical Work Practices

In order to promote values of integrity, transparency, accountability and good corporate governance, principles of clean, efficient and trustworthiness must be instilled at all time. Thus, it is essential to ensure both public and private sector employees are free from any corrupt practices and wrongdoings towards creating a highly principled business environment. In the remaining Plan period, efforts to further inculcate noble values and ethical work practices at all levels will be intensified to uphold integrity and professionalism.

Upholding integrity at all levels

Efforts to uphold integrity and eradicate corruption, which will be undertaken continuously and comprehensively involving the public and private sectors, include the following:

- Introducing Anti-Bribery Management System (ABMS) MS ISO 37001 certification in all government agencies and to propose the certification as a requirement for private sector in order to bid for government contracts
- Expanding participation of Certified Integrity Officers (CeIO) to all state-owned enterprises⁴ (SOEs) activities, which are prone to the risk of corrupt practices
- Reviewing comprehensively on the implementation of corporate integrity pledge to facilitate corruption prevention initiatives
- Establishing strategic partnerships with political associations and civil society organisations for collective engagement to execute government initiatives to create a clean country with zero tolerance for corruption

⁴ State-owned enterprises refer to enterprises where the Government directly or indirectly own more than 50% of share capital or control more than 50% voting rights or has power to appoint majority of board.

- Enforcing mandatory job rotation for public servants holding sensitive posts to avoid and reduce tendency for corrupt practices
- Establishing the Independent Police Complaints and Misconduct Commission to uphold integrity and deter misconduct in the police force
- Establishing an independent Ombudsman, which reports to the Parliament, to address and investigate complaints of maladministration in the public service

Instilling noble values among public servants

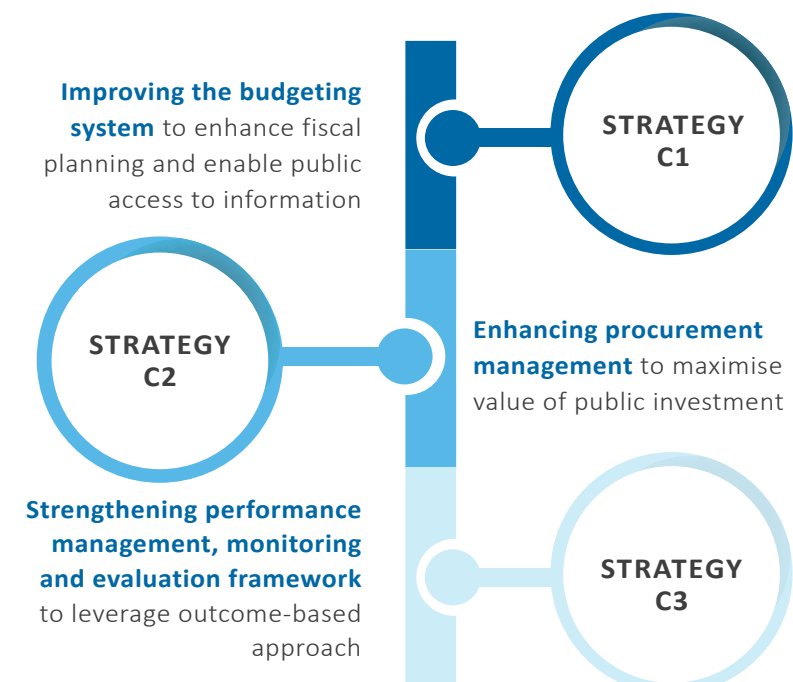
The demand for greater transparency and effectiveness in the public service delivery requires intensive efforts to instill noble values among public servants in order to boost performance and promote excellent work culture. In this regard, the Public Service Department, in collaboration with all ministries and agencies, will spearhead the efforts, among others as follows:

- Enhancing ethics and values programmes
- Evaluating the integrity level of organisations and individuals based on acceptable integrity assessment tools
- Inculcating noble values continuously through existing public service initiatives such as the 12 Pillars (*Tonggak 12*) and Code of Ethics
- Strengthening the enforcement of *Sistem Pengurusan Audit Nilai* and implementing intervention programmes accordingly

Priority Area C: Enforcing Prudent Public Finance Management

The Government is committed to be more transparent in financial administration and ensure public funds are spent prudently. This is to ensure a sustainable consolidated path with fiscal deficit targeted at 3.2% to gross domestic product (GDP) in 2020. In addition, new debt management and reporting methods, which also accounts for liabilities arising from financial leases and government guarantees, will be introduced to ensure sustainable financial management. Thus, transparency and prudent management of public funds will significantly provide best value for money and deliver better outcomes to the *rakyat*.

Comprehensive reforms will be undertaken to ensure prudent management of public finance towards a more transparent and accountable Government. Efforts will be intensified to ensure ex-ante⁵ and ex-post⁶ accountability principles are imbued in managing public funds. This is in line with the aspiration of upholding integrity and increasing productivity through the optimisation of resources. In this regard, prudent management of public finance will be enforced through strategies as follows:



⁵ Ex-ante accountability requires the Government to match policy priorities with budget allocation.

⁶ Ex-post accountability requires the Government to ensure the targeted outcomes are achieved.



Strategy C1: Improving the Budgeting System

A more responsible budget is essential to implement the Government strategy and commitments. Full disclosure of budget details will be made available to the public, which will allow scrutiny of the Government's allocation and spending. In addition, accrual accounting system will be rolled out expeditiously to improve national accounting practices. Meanwhile, recommendations from international bodies including the World Bank and International Budget Partnership (IBP) will continue to be incorporated to enhance the budgeting system and enable public access to information.

Enhancing national budget process

Malaysia scored 46/100 in the Open Budget Index⁷ (OBI) 2017, which denotes that limited budget information is available to the public. The score is slightly higher than the global average of 42/100. Malaysia published only six out of the eight mandatory budget documents required by IBP, as shown in *Exhibit 10-2*. More measures will be undertaken gradually to improve Malaysia's OBI score to at least 61/100 in the 2021 budget cycle through better public engagement with stakeholders as well as oversight by the Parliament and JAN. In addition, the annual budgeting process will be re-engineered to ensure better alignment with Malaysia's five-year development plan.

Exhibit 10-2

Public Availability of Budget Documents, 2008-2017

DOCUMENT	2008	2010	2012	2015	2017
1. Pre-Budget Statement	Not produced	Not produced	Not produced	Not produced	Not produced
2. Executive's Budget Proposal	Available to the public	Available to the public	Available to the public	Available to the public	Available to the public
3. Enacted Budget	Available to the public	Available to the public	Available to the public	Available to the public	Available to the public
4. Citizens Budget	Not produced	Not produced	Not produced	Not produced	Available to the public
5. In-Year Reports	Available to the public	Available to the public	Available to the public	Available to the public	Available to the public
6. Mid-Year Review	Not produced	Not produced	Not produced	Not produced	Not produced
7. Year End Report	Available to the public	Available to the public	Available to the public	Available to the public	Available to the public
8. Audit Report	Available to the public	Available to the public	Available to the public	Available to the public	Available to the public

Source: International Budget Partnership

● Not produced ● Available to the public

⁷ The Open Budget Index (OBI) is an index issued by the International Budget Partnership to assess the amount and timeliness of budget information made public by participating governments. Each country is given a score between 0 and 100, which determines its ranking on the OBI.

Increasing efficiency and transparency of state-owned enterprises

A review of existing legislation governing the operation of SOEs will be undertaken to address shortcomings and further improve governance practices. In addition, regular reviews of government portfolio will be conducted to assess the roles and functions of SOEs. Moreover, a single oversight authority will be established to consolidate information on assets and liabilities of SOEs as well as produce and publish a comprehensive financial report.

Expanding and expediting the implementation of accrual accounting

Efforts to implement accrual accounting through the Integrated Government Financial Management and Accounting System (iGFMAS) will be expedited in the remaining Plan period. The accrual accounting will provide comprehensive financial reporting, which includes government guarantees, contingent and future liabilities as well as other commitments. Additionally, the Government aims to consolidate financial accounts with Minister of Finance Incorporated financial statements through accrual accounting. This will add depth to the accountability and transparency of public sector funds and resources management. Furthermore, the financial provisions in the Financial Procedure Act 1957 and other relevant legislation pertaining to the changes will be reviewed and amended accordingly.

Strategy C2: Enhancing Procurement Management

Government procurement (GP) is an important instrument, constituting 15% to 20% of GDP, used to ensure the best value for money through acquisitions of works, goods and services. GP also aims to stimulate growth and achieve socioeconomic development objectives. However, issues plaguing GP are lack of transparency in the procurement processes and contract administration weaknesses due to disregard of established procedures. Therefore, strengthening procurement and public private partnership (PPP) frameworks are imperative to enhance procurement management to maximise value of public investment.

Strengthening procurement framework

In the remaining Plan period, efforts will be undertaken to introduce a comprehensive and effective legal framework of GP. A legislation on GP will be formulated to regulate GP activities, improve efficiency of resource utilisation, safeguard public and national interest as well as protect the rights of the contracting parties. In addition, detailed information on GP including procurement planning of ministries and agencies will be made available in the MyProcurement portal, enabling greater public participation in GP activities.

The ePerolehan system, which is currently applicable to GP for supply of goods and non-consultancy services will be further enhanced. In this regard, a study will be conducted to assess the requirement for an integrated procurement system for works. The enhanced system aims to include project planning, procurement process as well as implementation, monitoring and contract administration to ensure comprehensive coverage of project cycle.

The Government is committed to uphold the principle of open competition to avoid contract monopolies and maximise value for money in GP. This will be realised through the enforcement of open tenders as a main mechanism. Hence, selective tenders have been abolished and replaced by open tender pre-qualification. In addition, stringent requirements will be imposed in awarding contracts and appropriate actions will be taken in accordance with the terms and conditions in the contract to reduce rent-seeking activities. This includes termination of contract due to sub-contract of projects to another party or transfer of company's equity without prior written approval from the Government. Meanwhile, exception for direct negotiation will be reviewed in line with international standards and best practices, among others including the agreement on GP under the World Trade Organisation.

Competent human capital along the procurement value chain is essential in ensuring good governance and efficiency. In this regard, officers managing GP will undergo training under the Chartered Institute of Procurement and Supply programme to enhance capability and competency. This will ensure internationally qualified procurement experts manage GP across ministries and agencies.



In addition, continuous efforts will be undertaken to enhance the skills and capabilities of contractors through competency skills training and accreditation. The rating programme to assess the competency and capacity of contractors implementing government projects will be further strengthened. Hence, these projects will be awarded based on the rating and accreditation of the contractors.

Strengthening public private partnership framework

The Government will review the existing PPP framework for the implementation of PPP projects. In addition, total commitment of PPP projects will be determined in order to control the level of annual obligations and commitments. Limiting the annual commitment will help the Government to minimise fiscal risks. Meanwhile, forensic audits will be intensified for selected PPP projects to improve the current framework.

Strategy C3: Strengthening Performance Management, Monitoring and Evaluation Framework

Performance management, monitoring and evaluation framework is vital in prioritising expenditures to ensure the successful implementation of programmes and projects. The monitoring and evaluation components of the project management cycle are inadequate to provide insights on performance for better decision making process. In the remaining Plan period, three initiatives will be implemented, namely enhancing performance management, improving monitoring and coordination mechanism as well as strengthening project management to leverage outcome-based approach.

Enhancing performance management

In an effort to address fiscal challenges in the short term, the Government will introduce zero-based budgeting as a method to strictly control expenditure. At the same time, to ensure expenditure will achieve the desired outcome, the implementation

of outcome-based budgeting (OBB) will be strengthened as an integrated budgeting performance measurement method to ensure more efficient and effective public expenditure management. The OBB will provide a platform to align national outcomes with the programmes and budget allocation of ministries as well as enhance accountability at all levels. In addition, performance of programmes and activities will be measured based on key performance indicators (KPIs) tailored to the roles and functions of ministries. In this regard, measures will be undertaken to ensure accurate and timely performance reporting, develop technical capacity as well as promote culture of using performance information.

Improving monitoring and coordination mechanism

The MyResult system, a tool for systematic and holistic performance monitoring, evaluation and reporting will be enhanced to produce comprehensive reports at national and ministry levels. Meanwhile, the Project Monitoring System II will be enhanced to holistically monitor the project management cycle. In this regard, the *Arahan No.1, 2010: Majlis Tindakan Negara* will be reviewed to strengthen the coordination and implementation mechanism at the Federal, state and district levels for more effective and efficient project execution. In addition, the risk management plan module will be incorporated in all government projects.

Strengthening project management

In the remaining Plan period, ministries and agencies will be required to prioritise development projects by adhering to the OBB approach. The application of pre-approved plan (PAP) and industrialised building system (IBS) will be emphasised on government projects to expedite project implementation as well as ensure best value for money. Moving forward, the application of PAP will be enhanced through the introduction of new categories and additional design options to suit the needs and requirements of ministries and agencies. Meanwhile, the IBS catalogue will be harmonised with the design library of the building information modelling to improve the accuracy of planning and collaboration among players across the construction value chain. In addition,

the public sector comparator as a cost comparison tool will be extended to all ministries and agencies as part of the project evaluation and selection process.

Formative evaluation will be implemented to ensure timely intervention throughout the project cycle for successful project delivery and outcomes. In this regard, ongoing projects will be addressed through collective and coordinated efforts by ministries and agencies. The *Jawatankuasa Tindakan Pembangunan Kementerian* will be leveraged to monitor and evaluate physical progress and outcomes as well as deliverables of programmes and projects.

Priority Area D: Enhancing Public Service Delivery

The new Government will undertake extensive reforms in the overall administrative policies and practices to ensure the delivery of better and faster services to the *rakyat* and businesses. In addition, the public service must provide services that are fast and seamless, available anywhere and anytime (either through physical, mobile or online channels) and optimise people's experience at reasonable costs. The public service also needs to be more flexible, innovative and responsive to embrace future challenges. In this regard, the rationalisation of existing structures will be aggressively pursued for agility and optimisation of resources while talent management will be enhanced to provide the required talent pool. Meanwhile, ongoing initiatives to innovate and redesign public service delivery will be intensified, with emphasis to empower local authorities. Therefore, strategies have been identified to enhance public service delivery as follows:



Strategy D1: Reforming Public Sector Institutions

The public service will optimise structure, scale and operating models to enhance flexibility and performance of the institutions. In addition, intensive efforts will be undertaken to boost talent management in the public service. Therefore, in the remaining Plan period, initiatives pertaining to reforming public sector institutions will be intensified to rightsize the public service and augment talent management. These include rationalising public sector institutions, strengthening talent management, customising performance assessment, promoting career development as well as improving work-life balance of public servants.



Rationalising public sector institutions

The rationalisation of public sector institutions will be continued in the remaining Plan period by establishing a special task force to conduct a comprehensive audit and review across public sector institutions and agencies. This task force will be led by the Chief Secretary to the Government to assess the roles and functions of various entities including statutory bodies and SOEs. Public sector institutions reforms will also entail rationalisation of Malaysian missions abroad involving the review of the existing structures, posts and functions of the various Malaysian representation offices worldwide. The aim is to rightsize and increase efficiency of the public service by utilising resources optimally.

Public service entry requirements will be revised to be aligned with the public service reforms to attract the best and suitable candidates. The entry requirements will be scrutinised and strengthened to ensure those recruited are of high integrity and competency. This will support the capabilities of the public service to deliver the priorities of the new Government.

In working towards public service reforms, the Government will introduce a legislation to govern the public service. The legislation aims to enable public servants to serve the Government, Parliament and the people transparently and accountably. The legislation will also empower public servants to carry out their duties and responsibilities without fear or favour.

Strengthening talent management for public service

Public sector training policies will be reviewed and a comprehensive strategic human resource development policy (HRDP) will be developed. The new policy will enable greater empowerment of ministries and agencies to plan and implement the required human capital training needs. In this respect, capacity building will focus, among others on multi-skilling and training in new and specialised fields. The HRDP will outline basic principles and approaches in developing public service human capital to create an agile future ready workforce equipped with higher order thinking skills and digital competency. In addition, HRDP will also create opportunities for public servants to plan individual training development needs leading to future career development.

Centralised management of talent development programmes will be reduced and replaced with a bottom-up approach. In this regard, ministries and agencies will be empowered to plan and determine talent placements, and customise talent management based on needs and priorities. Thus, specific guidelines will be developed to ensure alignment of talent development programmes with national priorities.

The National Institute of Public Administration (INTAN) will review the existing curriculum to consolidate and offer courses that will focus on developing leadership skills as well as domain functions of respective ministries and agencies. In addition, INTAN will collaborate with other public training institutions (ILA) to develop sustainable and comprehensive training development plans for the various schemes of services. Concurrently, INTAN will also strengthen cooperation with local and international affiliates to uplift human capital development in the public service.

As part of the Government's initiatives to develop a digital government operating model, the Digital Government Competency and Capability Readiness (DGCCR) framework will be embedded into the public service. The DGCCR framework will be used as a structured and holistic approach to provide end-to-end talent management. In this regard, the existing Cluster for Innovative Management Technology (i-IMATEC) in INTAN will be transformed into a Digital Learning Cluster (DLC) to implement the DGCCR. The DLC will operationalise standard digital-related learning in developing digital capabilities of the public service.

There are currently 178 ILA operated by different ministries and agencies. The role of ILA will be streamlined to focus on areas of specialisation and relevant functional roles. In this regard, the Council of Public Sector Training (MLSA) will be empowered to streamline ILA and to play an important role in developing public training policies, while assessing the need for new ILA in the future.

The appointment on contractual basis to secure top talent has been implemented either through contract for service or contract of service. In the remaining Plan period, emphasis will be given to the appointment of specialised talent in critical posts such as

flight operation inspector, inspector of continuing airworthiness and medical specialist officer with attractive market-based pay structure. In this regard, existing hiring policies will be reviewed to further attract and retain specialised talent.

Customising performance assessment

Efforts will be undertaken to introduce a new model for public service performance management. In this regard, ministries and agencies will be able to implement customised performance evaluation based on the respective roles and functions. The customised performance evaluation will complement the standard appraisal system, which will be further improved to enable better rewards for high performers through a decentralised performance based incentive.

Promoting career development

Talent progression and future promotions will be more transparent based on merit and performance. In addition, career paths for public servants will be chartered to provide insights into future prospects in order to attract and retain talent in the public service. Therefore, the necessary competencies and performance required to progress to the next level will be identified accordingly. In addition, measures will be undertaken to intensify the upskilling and reskilling of the support group in the public service to transform them into a more multi-skilled workforce. This will enhance career development opportunities by enabling the support group to move up to managerial and professional positions or undertake multi-tasking functions.

Improving work-life balance

Measures to consolidate and strengthen initiatives towards improving work-life balance of public servants will be intensified. Existing work arrangements will be improved for better work-life balance by providing greater flexibility, thereby improving productivity in the public service. Some of the measures under consideration are working from home, flexible working time and compressed working hours for certain types of job. Meanwhile, part time working scheme will be introduced to retain expertise, reduce attrition and minimise new recruitment.

Strategy D2: Redesigning Public Services

The objective of the Government in enhancing public service delivery is to improve efficiency, reduce cost and increase customer satisfaction. The public service will reinvent itself through creative and innovative approaches to improve the quality of the delivery system. The focus will be on creating a more citizen-centric government premised on providing seamless services through a whole-of-government approach by continued public consultations and engagements. In the remaining Plan period, efforts will be undertaken to redesign public services to increase accessibility, efficiency and customer satisfaction.

Reducing bureaucracy and integrating productivity improvements

Procedures and work processes will be reviewed to eliminate redundant and bureaucratic processes, which are not in line with current needs and technological advancements. In this regard, work processes in frontline agencies including local authorities will be improvised to expedite service delivery. In addition, integration of services at the front-end and inter-agency back-end processes will be intensified to increase the efficiency of service delivery. These initiatives will support the implementation of good regulatory practices to facilitate ease of doing business and complement the productivity initiatives at sector level through the nine productivity nexus.

In the remaining Plan period, efforts will also be continued to improve efficiency and productivity in the public service. In this regard, the adaptation of the business excellence model developed by the Malaysia Productivity Corporation will be explored as a performance analysis instrument to identify improvement opportunities by ministries and agencies. Relevant yardsticks for productivity measurement will also be considered in establishing KPIs for secretary general of ministries as well as head of departments and agencies. In addition, ministries and agencies will be required to review internal work flows and processes to simplify and improve quality, reduce cost and enhance effectiveness of services.



Expanding digitalisation agenda

In the remaining Plan period, digitalisation agenda will be pursued aggressively for higher digital adoption in the public service. In this regard, digital governance in the public sector will be enhanced at the national and ministry levels to support the national digitalisation agenda. In addition, the Government Online Services Gateway will be expanded to offer access to a wider range of online government services through a single portal. At the same time, various digital tools will be utilised in undertaking the Government digitalisation agenda. Some of the measures that will be undertaken to enhance government digitalisation efforts and encourage the use of online services are as follows:

- Deploying multiple channels of delivery focusing on mobile platforms
- Strengthening cyber security protection
- Offering more services via single sign-on
- Shifting from agency-based to service- and information-based approach
- Enhancing and streamlining implementation of e-payment services
- Establishing Malaysian Digital Identity
- Expanding Government Secured Private Cloud services
- Intensifying enterprise architecture implementation

In order to enable informed decision-making and provide seamless delivery of services, data sharing across agencies continues to be a key driver. In this regard, big data analytics (BDA) will continue to be leveraged to improve planning of policies and strategies as well

as execution of intervention programmes. Meanwhile, the Public Sector BDA Blueprint, which encompasses governance mechanisms, communication plan and capacity building, will be revised to further guide the implementation of BDA in the public service. In addition, to strengthen the interoperability of government services and data sharing, existing legislation on sharing of information, including personal data, will be reviewed. This is to complement the digitalising efforts for easy interaction and accessibility amongst agencies without compromising information security and privacy.

Innovating towards better quality services

The enculturation of innovative and creative thinking in the public service will be further deepened through the leveraging of initiatives such as the Civil Service IdeaConnect. The Civil Service IdeaConnect online web and mobile platform will be fully utilised to quickly engage and encourage public servants to think out of the box. This platform will encourage sharing innovative and creative high-impact ideas that can help improve the public service delivery.

Reducing government role in non-core services

In an effort to focus on the role of Government as facilitator, its role in non-core services will need to be reduced through privatisation and outsourcing. In this regard, implementation of alternative service delivery (ASD) in phases will be carried out through a pilot project on elderly care at the *Rumah Seri Kenangan Seri Iskandar* in Perak. Meanwhile, ASD on drug rehabilitation will be pursued by empowering the community to undertake rehabilitation initiatives. Moving forward, the Government will continue to explore other services that can be implemented through the ASD mechanism. In this regard, a feasibility study will be conducted to identify services that can be privatised or outsourced. At the same time, control of selected non-core services will be reduced progressively to enable self-regulation or co-regulation. This will improve service quality, allow greater flexibility and reduce costs of implementation, resulting in a leaner Government while creating opportunities for private sector businesses.

Improving and sharing of government resources

The Government will continue to provide the necessary infrastructure and facilities to accommodate operational activities and offer a conducive working environment for public servants. In this regard, existing government infrastructure⁸ and facilities will be upgraded or expanded, enabling public servants to provide better services for intended stakeholders. Meanwhile, guidelines for the sharing of resources among government agencies will be developed. This includes sharing of office space, facilities and asset deployment comprising, among others office inventory and vehicles to ensure optimal use of resources. Furthermore, a uniform system for generic functions will also be pursued utilising internal expertise and optimising the Public Sector Data Centre. In addition, the standard guidelines for office space will be revamped to optimise space management.

Strategy D3: Empowering Local Authorities

Local authorities, being the third level of government and closest to the *rakyat*, need to continuously improve service delivery in line with the socioeconomic and technological advancement. However, local authorities face difficulties in delivering quality and timely services within the expectations of the *rakyat* due to financial and capacity constraints. In the remaining Plan period, efforts will be undertaken in empowering local authorities to improve speed and efficacy of service delivery for effective development outcomes.

Improving accountability of local authorities

Local authorities will continuously intensify engagement with the community and non-governmental organisations to provide check and balance in the administration and enable better community participation in decision-making. This will be done through various mechanism such as town hall sessions, public hearings and social media. Meanwhile, local authorities will step up enforcement to ensure public and private projects comply with the Environmental

Impact Assessment and Social Impact Assessment. As a result, local authorities will be more transparent through these measures thereby strengthening the confidence of the *rakyat*.

Initiatives to ensure local authorities adopt and comply with all standard guidelines and operating procedures approved by the *Majlis Negara bagi Kerajaan Tempatan* will be undertaken. This is to ensure uniform application of guidelines and procedures among local authorities throughout the nation. Meanwhile, local authorities will continue to be rated based on capabilities and capacities in delivering services. The rating will be among the factors in determining fund allocation by the Federal Government to ensure sustainability.

Strengthening service delivery by local authorities

Efforts to improve service delivery by local authorities will be enhanced continuously through improvement in systems and processes. Engagement between Federal, state and local authorities as well as private sector will be intensified to ensure that national development projects are aligned and in accordance with local interests. Public engagement by the local authorities is vital to gain the feedback of the community in establishing new development projects. Enforcement through greater collaboration with relevant agencies will be continued to ensure compliance with regulations.

Service standards of local authorities will need to be improved to ensure the efficiency of service delivery. In the remaining Plan period, efforts will be undertaken to ensure alignment of local authorities services to the commitments under the 2030 Agenda for Sustainable Development of the United Nations. Meanwhile, a study will be conducted to identify other international service standards and best practices to deliver efficient services to the *rakyat*.

⁸ Government buildings that houses its associated departments and employees for administrative purposes, excluding hospitals, schools, universities and other social welfare infrastructures.



The *Sistem Penarafan Bintang Pihak Berkuasa Tempatan* (SPB-PBT) will be continuously utilised as an assessment tool to evaluate the efficiency of local authority services. This will enable the local authorities to emulate and adopt good practices and innovation from other local authorities in order to strengthen service delivery. In this regard, indicators for SPB-PBT will be further strengthened to assess the effectiveness of services in all local authorities.

Efforts to improve data sharing will be enhanced to ensure data will be accessible to the *rakyat*. This will include data on public amenities, housing and business premises as well as socioeconomic data in the local authority area. In this regard, measures to empower the Department of Statistics Malaysia as a single reference point to provide data access to government agencies and the *rakyat* will be explored in the remaining Plan period. The availability of data will enable local authorities to enhance planning, implementation and monitoring capacity.

Strengthening collaboration for stimulating local economic development

Local governments will need to reinvent themselves and redesign strategies to become relevant, capable and resilient in order to attract new and retain existing residents and businesses. Collaboration between local authorities and businesses will be intensified to encourage investment and increase private sector participation in the economic development. Local authorities will step up efforts to plan, facilitate and regulate business activities. In this regard, measures will be undertaken to further improve infrastructure and utilities as well as other support services to create a conducive business environment. Meanwhile, transparency and enforcement will be enhanced to ensure local community and businesses fully benefit from the economic development. At the same time, the governance structure of the local authorities will be strengthened to ensure checks and balances and eliminate abuse of power which will reduce cost of doing business.

Conclusion

The multilevel governance reforms reflect a new brand of the Malaysian Government that will be built on trust, integrity and of the highest capability to fulfill the needs and expectations of the *rakyat*. This will be achieved by upholding the principles of transparency and accountability in providing more accessible, efficient and effective public services. In addition, the public service imbued with integrity, openness and innovation will be fortified to create a more robust, dynamic and responsive Government administration. Moving forward, a transparent and accountable Government is imperative towards ensuring the *rakyat* will be the ultimate beneficiary and enjoy the prosperity of *Malaysia Baharu*.



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C H A P T E R