

MANAGEMENT OF EXTERNAL INFLUENCE POLICY

1. BACKGROUND

- 1.1 The practice of using external influences including giving/receiving endorsement letters for personal interest has been a culture and difficult to control. Under these circumstances, LPPSA employees were placed in a difficult situation in considering and deciding on matters related to LPPSA. The practice may lead to abuse of power and tarnish the image and integrity of LPPSA.
- 1.2 Consequently, the management of external influences is developed to enable LPPSA to perform its duties professionally and transparently without influence from any interested parties.
- 1.3 This policy is an initiative in support of the National Anti-Corruption Plan (NACP) 2019-2023 towards strengthening accountability and integrity as well as to address interference by any Government leader, prominent person, business partner/associate, stakeholder, or any individual or organization dealing with LPPSA, in decision making process of LPPSA.
- 1.4 This policy shall be read together with the Public Sector Home Financing Board Act 2015 [Act 767].

2. PURPOSE

This policy is developed for the purpose of reference by LPPSA employees regarding the procedures in dealing with external influences from any Government leader, prominent person, business partner/associate, stakeholder, or any individual or organization dealing with LPPSA.

3. APPLICATION

This policy is applicable to LPPSA employees and as a reference to Government leaders, prominent persons, business partners/associates, stakeholders, or individuals or organizations dealing with LPPSA.

4. DEFINITION

4.1 External influence

Any kind of communication, whether verbal, written or in any other form, from any Government leader, prominent person, business partner/associate, stakeholder, or any individual or organization dealing with LPPSA to LPPSA employees for the purpose of supporting any application to LPPSA or influencing any decision of LPPSA.

4.2 Government leaders

Refers to the definition of “members of the administration” as specified under Clause (2) of Article 160 of the Federal Constitution, Members of Parliament and Members of the State Legislative Assembly.

4.3 Prominent persons

Any individual holding certain position in the Government or individual having contact with authorities, persons in authority and politicians.

4.4 LPPSA employees

Staff or officers employed by LPPSA.

4.5 Third party

Includes contractors, vendors, suppliers, stakeholders, interested parties or any person having official dealing with LPPSA.

4.6 Official dealings

Any official dealings such as procurement, human resource management, application (for loan, panel lawyers, panel insurance, disbursement etc.) and any other matters relating to LPPSA official dealings.

5. **Policy Statement**

5.1 LPPSA is committed to ensure the practice of integrity, good governance and transparency in delivering services to the public.

5.2 In line with the said commitment, LPPSA employees are prohibited from—

- i. importing or attempting to import external influence from any Government leader, prominent person, business partner/associate, stakeholder, or any individual or organization dealing with LPPSA to support any application to LPPSA or influence any decision of LPPSA;
- ii. using external influence as a basis for consideration in making decision; or
- iii. taking instruction from any Government leader, prominent person, business partner/associate, stakeholder, or any individual or organization dealing with LPPSA in making decision.

6. **Management of external influence**

In dealing with external influences, LPPSA employees shall take action as follows:

- i. if the external influence is in writing, the written external influence must be filed in the respective file;

- ii. if the external influence is verbal, the communication of the external influence must be recorded in writing with detail information of the person giving such external influence in the minute sheet of the respective file;
- iii. the person who receives the external influence shall, as soon as possible, make a written report of such influence to the Chief Executive Officer (CEO);
- iv. if the external influence affects sustainability and image of LPPSA, the CEO may refer the subject matter to be considered to the LPPSA Board. The LPPSA Board may decide the subject matter to be considered or allow the CEO to decide or deal with the subject matter;
- v. the decision or instruction by the LPPSA Board under subsubparagraph iv shall be recorded in writing;
- vi. if for any specific reason it is not practical to report the external influence received to the CEO as specified under subsubparagraph iii, the report must be made to ARIC. However, if in that circumstances, the external influence involves ARIC members, the report shall be made to LPPSA Board.

7. Code of Ethics for members of the administration and Members of Parliament regarding external influence

- 7.1 The Code of Ethics for Members of the Administration and Members of Parliament issued by the Prime Minister's Department in December 2018 provides that the members of the administration and Members of Parliament shall ensure that there shall be no conflict of interest between his/her official duties and personal interest. Conflict of interest may occur in consequence to the influence and power vested in the members of the administration and Members of Parliament.
- 7.2 In that regard, any Government leader shall avoid using his/her position or issuing any endorsement letter for the purposes of supporting any application to LPPSA or influence any decision of LPPSA.

8. Violation or non-compliance of the policy

- 8.1 Disciplinary actions under the *Kod Tingkah Laku* or any disciplinary regulations made under the Public Sector Home Financing Board Act 2015 [Act 767] may be taken against LPPSA employees for non-compliance with this policy.
- 8.2 Non-compliance of this policy by LPPSA employees shall be reported to the CEO.
- 8.3 Any violation of this policy by a third party shall be reported to ARIC and subsequently notified to LPPSA Board.