


Date: 24 June 2014

Source: Website The Nation

<http://www.nationmultimedia.com/business/Listed-state-firms-told-to-get-serious-against-cor-30236899.html>

Listed state firms told to get serious against corruption

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The Nation June 24, 2014 1:00 am

The private sector's Collective Action Coalition against Corruption (CAC) has called for the five listed state enterprises to elevate their efforts to put in place high compliance standards for tackling corruption, providing prudent examples for other state agencies, amid ever-increasing demand for good governance nationwide.

As the ruling National Council for Peace and Order (NCPO) has promised to uproot corruption and claimed that it will not tolerate any form of bribery in the public sector, listed state enterprises should be among the first public entities to respond, said CAC secretary Bandid Nijathaworn. They should put their anti-graft commitments into action and win CAC acknowledgement that their compliance standards to prevent corruption have been established.

While board replacements at several public enterprises are under way, the time is right for boards at the five listed state firms to get serious on fighting graft and demonstrate their commitments to follow the NCPO's policy in gearing their organisations towards greater transparency, he said.

"Listed state enterprises have already been through a certain extent of corporatisation. This should give them a distinctive advantage over other state agencies in adopting the CAC's anti-corruption mechanism," Bandid said.

"Although all five listed state enterprises have signed declarations of intent to join the CAC, there has been no evidence of any material progress so far."

Some 323 companies of diverse size and industry, including 152 listed firms and a number of global companies operating in Thailand, have signed CAC declarations of intent, including listed state enterprises Krung Thai Bank, Airports of Thailand, MCOT, Thai Airways International and PTT.

Signatory companies agreed to work internally to assess risks related to corruption, implement anti-corruption policies and compliance programmes as well as sharing experiences to foster ethical, clean, and transparent business transactions in Thailand.

They will also reach out to industry peers, suppliers and other stakeholders via the coalition and participate in joint activities to fight corruption.

After signing the declaration of intent, private companies are supposed to go through a certification process to ensure that policy and high compliance standards are in place, which involves self-evaluation, verification by either an audit committee or an external auditor, and quarterly approval by the CAC council, chaired by Panas Simasathien.

To date, 48 companies have been certified by the CAC, including Bank of Ayudhya, Kasikornbank, Tisco Financial Group, Siam Cement, Bangchak Petroleum, Somboon Advance Technology, Pricewaterhouse Coopers Thailand, Siemens Thailand, and American International Assurance Co.

To help private firms establish effective anti-corruption mechanisms and prepare for certification by the CAC, the Thai Institute of Directors Association (IOD) runs 10 anti-corruption training courses annually for executives and compliance officers.

Clean business

The CAC was initiated in 2010 with an aim to promote clean business and to fight corruption through the implementation of policies and effective mechanisms to prevent corruption at the company and industry levels.

The CAC focuses on private companies, including listed state enterprises, to put graft-fighting into action, and works closely and in parallel with the Anti-Corruption Organisation of Thailand (ACT), whose actions cover the public and private sectors and civil society, with aims to build awareness and shape a corruption-free society.

The CAC is supported by leading private-sector partner organisations, namely the IOD, the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce, the Listed Companies Association, the Thai Bankers' Association, the Federation of the Thai Capital Market Organisations, the Federation of Thai Industries, and the Tourism Council of Thailand.