

Encik Adnan Zaylani Mohamad Zahid: Prevention of corruption in project management

Opening remarks by Mr Encik Adnan Zaylani Mohamad Zahid, Assistant Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Malaysian Anti-Corruption Commission (MACC) Talk entitled "Prevention of Corruption in Project Management", Kuala Lumpur, 3 April 2017.

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It is my great honour and pleasure to welcome officers from the Malaysian Anti-Corruption Commission (MACC), particularly the speaker for today, Assistant Commissioner Mr Mohan Munusamy. A warm welcome is also extended to the project teams comprising the steering committees, contractors and consultants. My appreciation also goes to all my fellow Bank staff who are here today.

In more recent times, the Bank and MACC have collaborated on a number of fronts. The recent strategic cooperation between the Bank and MACC, together with LHDN to combat financial crime, particularly corruption, signifies our commitment to work together in this area. From the Bank's perspective, this demonstrates our effort to instil integrity for and beyond our regulatees in the financial market.

Integrity is taken very seriously at the Bank where we continually and consciously maintain the highest standards, given that we enforce these standards on our regulatees in our supervisory capacity. We proactively manage integrity hazards and corruption risks and tackle those risks pre-emptively. Corruption is not simply a crime on its own. Its consequences can be far-reaching in terms of economic losses and irreparable reputation damage. Thus, we must actively keep abreast of the management of integrity risks.

As an institution, we have been blessed to have had pioneers who upheld the highest standards of excellence in our corporate conduct. The late Tun Ismail Ali, the first Malaysian governor from 1962 to 1980 was well known as a person of the highest integrity. I can recall his younger brother relating an episode in this regard. An aspiring architect at that time, he was told by the late Tun Ismail, not to ever set foot in the Bank while he was the Governor. Uncompromising and unyielding, we certainly should strive to assimilate Tun's values and standards. Indeed, we are fortunate that his successors have continued his trademark standard of integrity, to the extent that it is deeply ingrained in our corporate DNA today.

The Bank does not tolerate any wrongdoing which may tarnish its reputation, given that our solid reputation has been diligently built over the decades. We owe it to the public and future generations to preserve the integrity and credibility of the Bank. Thus, we have zero tolerance for unethical behaviour leading to fraud, including corruption. Staff must be mindful that their conduct must not give rise to any perception of corrupt practices. The Bank's management will take stern action against those who perpetrate, facilitate or are complicit in such acts. We will not protect such wrongdoers and will cooperate with the relevant authorities to ensure that the appropriate punishments are meted out.

In the last few years, the Bank has expanded its activities into project management. Our scope of responsibilities and stakeholder groups have also expanded in tandem. In order to ensure continuous integrity safeguards, the Bank has refreshed its framework and guidelines to include the procurement process, project management and whistle blowing to mitigate current and emerging project risks. Third parties which are engaged by the Bank must adhere to ethical practices as outlined in the vendor code of conduct, to be made publicly available soon.

In closing, I would like to express my deep appreciation to Assistant Commissioner Tuan Mohan and his colleagues from MACC. We are very privileged to have had the opportunity to benefit

from their insight and experience and it will help us do our part in combating corruption. May this occasion foster an even closer cooperation between the Bank and MACC, and herald many more joint events to come.