

**'Corporate governance not a mere bureaucratic task'**  
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Corporate governance should not be a mere bureaucratic function under the purview of a compliance or internal audit department but must cut across every function, job and role in an organisation, said the Raja Muda of Perak Raja Nazrin Shah.

judges conference 090408 raja nazrinHe said to be effective, the principles that underpin corporate governance, such as trust and integrity, should be internalised and this must begin with the top leadership.

"Corporate malfeasance can occur at any and all levels of an organisation. However, those with greater authority and power can potentially do the greatest damage," he said in his address at the Second Annual Corporate Governance Summit in Kuala Lumpur today.

Raja Nazrin also said occasionally even the best-managed companies can fall victim to bad decisions, if not bad intentions, and when that occurred it was critical that there was a willingness to take responsibility for those failures.

"To do otherwise would be to make a mockery of the whole idea of good corporate governance," he added.

He said for bad behaviours to be eradicated there must be a very strong oversight institution.

"Incentives that skew behaviour towards excessive and irresponsible risk taking must be removed and heavy penalty must be imposed on those found guilty of malpractice.

"Likewise, whistleblowers should be empowered to disclose any evidence of misconduct and be protected from victimization thereafter," said Raja Nazrin, adding that there must also be space for independent and responsible media and a vibrant civil society.

He also said as Malaysia moved forward to transform itself into a high-income economy, companies must not only strengthen their credibility among international investors but also be able to compete with best in the world.

Raja Nazrin said according to "The McKinsey Quarterly" survey, investors were drawn to companies with good governance and were willing to pay a premium of between 11 and 16 per cent.