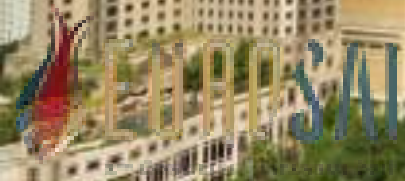




# HOW CAN SAIs MONITOR ITS AUDIT FINDINGS AND RECOMMENDATIONS EFFICIENTLY AND INNOVATIVELY

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  - CHAIRMAN OF ASOSAI AND
  - AUDITOR GENERAL OF MALAYSIA



**::BY ASOSAI CHAIR: ISTANBUL, TURKEY::**  
**::22 MAY TO 25 MAY 2017::**

# PRESENTATION OUTLINE

1

- Introduction

2

- The Government of Malaysia Initiatives towards the proper establishment of monitoring of audit findings and recommendations efficiently and innovatively

3

- The role of JAN to Monitor audit findings and recommendations efficiently and innovatively

4

- Conclusion





# 1. INTRODUCTION

## VISION

- To Be Recognised As A Key Contributor Towards Financial Management Excellence And Enhances Good Governance In The Public Sector By The Year 2020.

## MISSION

- To Carry Out Audit In A Professional And Independent Manner And To Produce Balance Report To The Parliament And State Legislatures Towards Enhancing Good Governance In The Public Sector.

## TYPES OF AUDIT

**1**

Financial Audit

**2**

Compliance Audit

**3**

Performance Audit

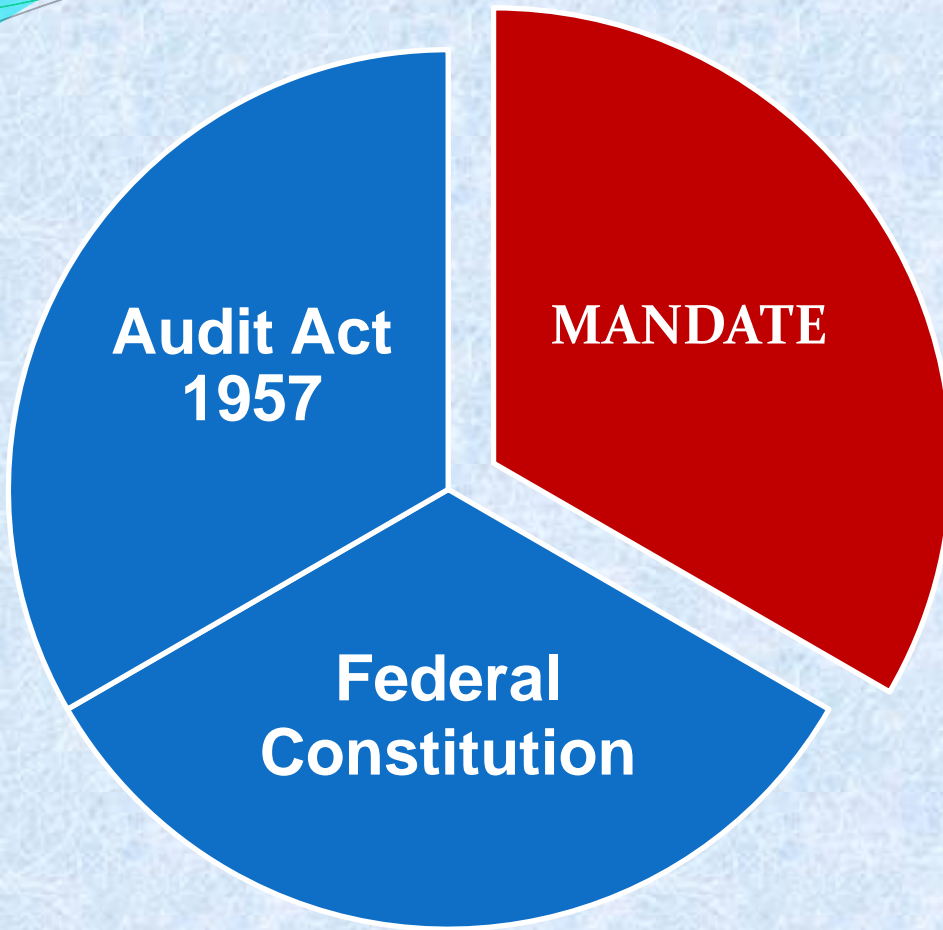
**4**

Governance Audit

Source: JAN Research and Auditing Journal



# MANDATE/ STANDARD COMPLIANCE



## STANDARDS COMPLIANCE

ISSAI 300 & ISSAI 3000-4000:  
The auditor should follow up on previous audit findings and recommendations.

ISSAI 400 & ISSAI 4000:  
Auditor shall decide follow up on opinions/ conclusions/ recommendations of instances of non-compliance.

Source: Federal Constitution, Audit Acts, ISSAI  
JAN Research and Auditing Journal



# ASOSAI SURVEY

1.	Follow-up activities common among members.
2.	Meetings and reportings through committees.
3.	Computerised monitoring system – Malaysia, China, Bangladesh.

Source: ASOSAI Survey Result





## **2. THE GOVERNMENT OF MALAYSIA INITIATIVES TOWARDS THE PROPER ESTABLISHMENT OF MONITORING OF AUDIT FINDINGS AND RECOMMENDATIONS EFFICIENTLY AND INNOVATIVELY**

# **1**

**PUTRAJAYA  
INQUISITION.**

- ❖ Highest platform to discuss unresolved audit issues that pending for more than a year or unresolved audit issues after a number of series of attentions of the Action Committee on the Auditor General's Report (AGAGR).
- ❖ Its' role is to expedite the solution of audit issues that has impacted on the public such as government policies, laws and regulations, disputes over the power of the Government and other stakeholders and the loss of Government revenue.
- ❖ It is also to improve the efficiency of government service delivery system through improvement of systems and procedures to enhance the perception of the public as a whole.

**Source: JAN Research and Auditing Journal**



# MEMBERS OF PUTRAJAYA INQUISITION

NO.	MEMBERS	POSITION
1.	Prime Minister of Malaysia	Chairman
2.	Secretary General of Malaysia	Member
3.	Attorney General of Malaysia	Member
4.	Director General of Public Service Department	Member
5.	Secretary General of the Treasury	Member
6.	Auditor General of Malaysia	Member
7.	Deputy Chief Cabinet Secretary	Member
8.	Inspector General of Police	Member
9.	Chief Commissioner of the Malaysian Anti-Corruption Commission	Member
10.	Director of Follow Up Audit Unit	Secretariat

Source: JAN Research and Auditing Journal



# 2

## **ACTION COMMITTEE ON AUDITOR GENERAL'S REPORT (ACAGR)**

- ❖ Will meet and discuss on the resolving punitive issues raised.
- ❖ After the Auditors General's report is tabled in Parliament, ACAGR shall be called for meeting chaired by the Auditor General of Malaysia.

**Source: JAN Research and Auditing Journal**





# MEMBERS OF ACTION COMMITTEE

NO.	MEMBERS	POSITION
1.	Auditor General of Malaysia	Chairman
2.	Attorney General of Malaysia/his representative	Member
3.	Director General of Public Service Department/his representative	Member
4.	Secretary General of the Treasury/his representative	Member
5.	Inspector General Police of Malaysia/his representative	Member
6.	Deputy Chief Cabinet Secretary/his representative	Member
7.	Chief Commissioner of the Malaysian Anti-Corruption Commission/his representative	Member
8.	Director General of the Economic Planning Unit/his representative	Member
9.	Special Duties Officer of Integrity and Safety Unit/his representative	Member
10.	Secretary General of Ministries/his representative	Member
11.	Director of Follow Up Audit Unit	Secretariat

Source: JAN Research and Auditing Journal

# 3

## **PUBLIC ACCOUNT COMMITTEE (PAC)**

- ❖ Plays an active role in reviewing and scrutinizing the veracity of public expenditure as highlighted in the Auditor General's Report as well as media reports on current issues.
- ❖ In order to ensure balance composition of six to twelve members of PAC, House of Parliament will elect the committee among the ruling political parties as well as the opposition parties.
- ❖ PAC role is to discuss on the audit findings and alert Parliament when the public funds is overspend, funds not spent as authorized, records discrepancies or misstatements that results embezzlement of fund or the reports raised the elements of corruptions.

Source: JAN Research and Auditing Journal



### **3. THE ROLE OF NATIONAL AUDIT DEPARTMENT OF MALAYSIA TO MONITOR AUDIT FINDINGS AND RECOMMENDATIONS EFFICIENTLY AND INNOVATIVELY**

**FOLLOW-UP  
AUDIT UNIT  
(FUAD)**

**ESTABLISHED**

**22 February 2013**

**21 staff**

**STAFF**

**OBJECTIVE**

**To help auditee to take corrective and improvement actions on issues or weaknesses reported in the Auditor General's report.**

- i. Corrective – relates to the improvement of systems and procedures.**
- ii. Punitive – caused by misappropriation, abuse of power, misconduct and negligence in carrying out duties.**

**ACTIONS**

**Source: JAN Research and Auditing Journal**





**FAST  
TRACKING  
ACCESS OF  
AUDITOR  
GENERAL'S  
REPORT FOR  
IMMEDIATE  
ACTION.**

- ❖ The tabling of the Auditor General's Report laid down before the Parliament is reviewed from the conventional once a year to twice a year.
- ❖ In 2014 JAN has tabled the Auditor General's Report three times due the requirements and directives of the Cabinet.
- ❖ The Government is in the opinion that the issues raised in the Auditor General's Report must be timely in order for the corrective actions and measurement before it is too late and give way to corruptions and misappropriations.
- ❖ NAD currently able to table the Auditor General's Report twice a year and tackles the issues better than it was when tabling once a year.

**Source: JAN Research and Auditing Journal**



## **AUDITOR GENERAL'S DASHBOARD.**

- ❖ Launched on 30 May 2013.
- ❖ Developed to promote the transparency by informing the public on the audit findings accurately and concisely, the status of actions taken by the Government Agencies
- ❖ To overcome the public's negative perception of government services in general and particularly role of NAD to fight against corruption and abuse of public funds.
- ❖ AG's Dashboard is accessible via <https://agdashboard.audit.gov.my>

**Source: JAN Research and Auditing Journal**



## Auditor General's Dashboard.



Source: JAN Website



**Auditor  
General's  
Dashboard.**



Source: JAN Website



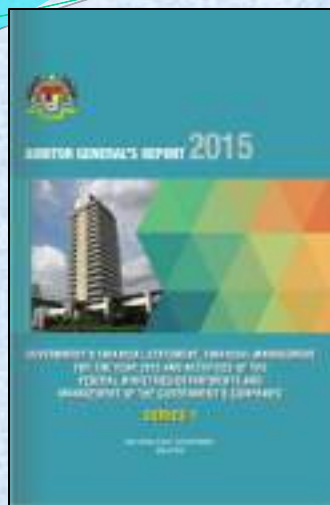
## TOWN HALL/MEDIA SESSION

- ❖ Chief Secretary General together with Auditor General conducted town hall sessions after the Auditor General's Report were tabled in Parliament.
- ❖ This platform is used to inform the media the status of disciplinary actions or investigation papers open for cases reported in the Auditor General's Report.

**Source: JAN Research and Auditing Journal**



# STATUS OF DISCIPLINARY ACTION TOWARDS CIVIL SERVANTS BASED ON AG'S REPORT 2015



**Corrective**  
1,610  
(95%)



**Warning**  
1,695



**Punitive**  
85  
(5%)

Status	No. of Cases	%
In Progress	674	41.9
Completed	936	58.1

Sector	Ministry	Statutory Body	State	Federal Co.	Total
Warning	20	23	38	4	85
Employees Identified	18	12	16	2	48
Officers Freed	9	-	1	2	12
Officers Acquitted	3	1	4	-	8
In the Proceedings	6	11	11	-	28

**Source: JPA, JPM and JAN Research and Auditing Journal**





# 4. CONCLUSION

- ❖ JAN is constantly reviewing the method used in monitoring the audit findings and recommendations efficiently and innovatively.
- ❖ JAN actively committed in the international arena too, such as being the ASOSAI Chair for the period of 2015 to 2018, Chair of ASEANSAI Knowledge Sharing Committee, active member of INTOSAI Working Group on Fight against Corruption and Money Laundering, INTOSAI Working Group on IT Audit, INTOSAI Working Group on Environmental Auditing.
- ❖ JAN is also the Fund Advisory Committee for the Commonwealth Auditor General Conference and held the Bilateral Cooperation with a number of countries worldwide.



# Cont...

- ❖ The international exposures are very important for JAN to benefit from the knowledge sharing activities, capacity buildings to align with counterparts throughout the world.
- ❖ JAN's commitment to improve the monitoring effectiveness to ensure public accountability through independence, objectivity, quality and cost effectiveness of the audit report as contribution to the country's stability and economic growth, good governance and fight against corruption.





*Thank You...*