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Audit standard not up to mark

NILAI: Only 31 out of the 145 local authorities in the country have their own internal audit departments to track the movement of public monies and activities, and for some which do, the officers are so ill-trained that they find it difficult to pass their tests. These were among the results of a survey conducted by the National Audit Department some two months ago after concerns were raised about the way some local authorities were run.

Auditor-General Tan Sri Ambrin Buang said that nearly half of the 31 authorities that had internal audit departments failed to publish any report. "Furthermore, 85% of these local authorities have not set up any audit committees while 61% of them have not come up with any memorandum to plan for an audit of their finances. "This is very disappointing because local authorities are at the frontline of the Government's delivery of services to the public.

"A good internal audit department is capable of further enhancing the running of local authorities as well as ensuring that projects were implemented without any waste of public funds," he said after launching a seminar at the National Audit Academy here on Tuesday. Under a government circular issued in 2004, only federal ministries, departments, agencies and state governments are required to set up internal audit departments.

However, this does not apply to bodies such as state agencies, local authorities and state economic development corporations, he said. "In my opinion, this circular should be extended to all agencies, particularly local authorities because their activities should benefit the public who pay assessment. "Even if they are not required by government regulation, they should at least take the initiative to set up one," he said, adding that for smaller local authorities like district councils which could not afford or do not have the capability to set up their own audit departments, they should at least request officers from the National Audit Department.

Ambrin said that another concern the department had was that many of the officers carrying out internal auditing in local authorities lacked knowledge and exposure about the right technique and methodology.