

Analysts, Groups Back NAD Audits On GLCs

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PETALING JAYA: Political analysts and anti-corruption watch groups gave the National Audit Department (NAD) the thumbs up for its initiative to conduct direct audits on 2,000 government-linked companies (GLC) for greater efficacy and transparency.

Universiti Sains Malaysia (USM) Centre for Policy Research director Assoc Prof Dr Azeem Fazwan Ahmad Farouk said the initiative is a move in the right direction as the companies have links with the government and are under heavy public scrutiny.

"GLCs have been accused of wrongdoings and mismanagement in the past and this is a good direction for transparency.

"In order to prevent any misconduct or misappropriation of

funds, electronically auditing the companies will also help to improve their credibility in the eyes of the public," said the political analyst.

Transparency International Malaysia (TI-M) president Dr Muhammad Mohan said the move by the NAD would definitely aid in identifying weaknesses in an organisation such as poor governance and non-compliance of ethical practices.

However, he said the government should show seriousness in upholding good governance, especially when discrepancies are detected during audit exercises.

"Our question is, after an audit report of a company is released and there are major non-compliance found in some areas or an act of fraud is detected, what would the next course of action be?

"The government must walk the talk and act on those responsible, holding them accountable for alleged discrepancies.

"They should either step down or be fired. If it is a case of fraud or corruption, then appropriate action should be taken accordingly. We have come to this situation today because the noble practice of accountability does not seem to exist anymore.

"Hence, those responsible for wrongdoings simply get off the hook. It is the same even in the public sector," Dr Muhammad Mohan told *The Star*.

Meanwhile, the Centre to Combat Corruption & Cronyism (C4 centre) said it supports the good work of the NAD and the Auditor General's Office.

However, it said that in order to ensure that the NAD is able to carry out the task to a high degree,

it is essential for it to name which GLCs it is auditing and for what reasons it has been selected for the exercise.

"There is also concern as to whether the NAD has the manpower and capacity to carry out an audit of such magnitude, especially if the NAD plans to select the GLCs based on the revenue it generates or those that receive high funding from the government.

The centre also stated that aside from large GLCs, smaller ones should also be audited as mismanagement and wrongdoings have also been found in them.

The C4 centre said the government must have policies that limit political appointments and provide a robust reporting framework to prevent GLCs from being misused for personal and political gain.