



Among its many new powers, the National Audit Department will now be able to audit the accounts of any companies that receive financial guarantees from the federal or state government. – Facebook pic, July 26, 2024

NEWS

Amended Audit Act will usher in improved governance, positive investor confidence: industry figures

— Published 26 July, 2024

KUALA LUMPUR – Several key figures from the audit industry have praised the recent amendments to the Audit Act 1957, approved by the Dewan Negara, saying they would enhance national governance and greater accountability in the public sector.

According to Philip Rao, a partner with one of the nation’s “Big 4” accounting firms, Ernst & Young Malaysia, the passing of the amendments by Parliament on July 3, before approval by the Dewan Negara on July 24 marks “a new era” in Putrajaya’s governance framework.



Ernst & Young Malaysia partner Philip Rao. – YA pic, July 26, 2024

“Empowering the auditor-general (A-G) is a critical step in reinforcing the integrity and reliability of our public financial management systems,” Rao said in a statement to Scoop.

“By modernising the act, we are better equipped to handle contemporary challenges and ensure that audit processes are both effective and forward looking.”

Rao, a certified internal auditor with more than 30 years of experience with risk management, business transformation, and corporate finance engagements in diverse industries, added that implementation of the amendments are key to ensuring better audit practices.

“The manner in which the changes to the act take effect will enable significant strides in improving public sector governance and accountability.

“We’re expecting positive investor confidence as Malaysia moves forward in this respect.”



Auditor-General Datuk Wan Suraya Wan Mohd Radzi. – Facebook pic, July 26, 2024

Expressing similar sentiments, the Institute of Internal Auditors Malaysia extended its congratulations to A-G Datuk Wan Suraya Wan Mohd Radzi and her team for the significant milestone of successfully amending the act after 33 years.

“The amendments are crucial as they expand the scope and duties of the A-G, which will lead to more scrutiny of the financial affairs and operations of public funds, (thus) providing assurance to taxpayers and stakeholders that public funds and guarantees are being utilised in an accountable and transparent manner.

“Given that the last amendment to the act was in 1991, these updates are both timely and necessary to address the current needs of governance and auditing,” it added in a statement today.

It also expressed confidence in the amendments, paving the way for a more robust and resilient governance framework that will benefit citizens.



*Institute of Internal Auditors Malaysia
president Mohd Khaidzir Shahari. – IIA pic,
July 26, 2024*

Institute president Mohd Khaidzir Shahari, meanwhile, was quoted as saying that the amendments are expected to have a positive impact on the nation’s public financial management systems.

With the passing of the amendments, the National Audit Department will now be able to audit the accounts of any companies that receive financial guarantees from the federal or state government.

The amendments, the department said in a statement yesterday, will improve the auditing scope and management of public money while ensuring that audit recommendations receive serious attention and necessary action from all parties.

This includes ministries, departments, government agencies, and any entity receiving public funds.

The amendments also saw the expansion of the A-G’s power to audit the accounts of any body, including companies registered under the Companies Act 2016, which receive financial guarantees from federal or state authorities.

The A-G will also be granted the authority to issue guidelines for the implementation of the act, recommend methods to address serious irregularities in the handling of public funds and conduct follow-up audits on actions taken in response to issues highlighted in the A-G’s Report.

Having received the nod of approval from both houses, the amendment bill will now have to acquire royal assent from the king before the amended act can be gazetted. – July 26, 2024