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E-SELAUDIT

AUDIT FOR 2,000 GOVT FIRMS

AI-based system will cover GLCs and CLBGs, says Anwar

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SOME 2,000 government companies will be audited more efficiently through the e-SelAudit system developed by the National Audit Department starting this year.

Prime Minister Datuk Seri Anwar Ibrahim said the audit, using an artificial intelligence-based system, would cover government-linked companies, government-linked investment companies and companies limited by guarantee (CLBGs).

He said the pilot audit for government companies using the e-SelAudit system began in November last year.

"More importantly, this system has been developed internally through the department's digitalisation project without additional costs.

"The government, on May 20 last year, issued a directive for the 'National Governance Enhancement Movement on the Governance of GLCs and CLBGs'.

"The directive guides regulatory ministries in implementing regulations and procedures for managing GLCs and CLBGs under the federal government."

Anwar said this at the launch of Phase 2 of the GLC audit.

He said the move followed several issues identified in the companies, including weaknesses in monitoring presentations and reports on meeting Key Performance Indicators (KPIs) and the



Prime Minister Datuk Seri Anwar Ibrahim launching Phase 2 of the GLC audit in Putrajaya yesterday. With him are Minister in the Prime Minister's Department (Law and Institutional Reform) Datuk Seri Azalina Othman Said (left) and Auditor General Datuk Wan Suraya Wan Mohd Radzi. BERNAMA PIC

companies' strategic plans.

Other issues included the failure of the chief executive officer to supervise and oversee business operations to achieve the parent company's goals, including those of its subsidiaries, and consecutive losses at the parent or subsidiary level.

"Companies' profits that are not returned to the government are also a major issue, along with shortcomings in the investment and audit committees in providing views and advice to the board of directors," said Anwar, who is also finance minister.

Meanwhile, important decisions made by companies, such as salary payments and service

matters, were also not submitted to the board of directors for approval, he said.

Anwar reminded government companies to always uphold values and good governance.

"Don't take this lightly, especially given geopolitical uncertainties amid a decline in values.

"What is the meaning of faith if this matter (governance) is neglected?"

He reiterated his support for the department, as well as for enforcement agencies, including the Malaysian Anti-Corruption Agency and the Inland Revenue Board, in addressing leakages and improving governance.

Meanwhile, Auditor General

Datuk Wan Suraya Wan Mohd Radzi said the department has introduced four guidelines following the amendments to the Audit Act 1957.

They are guidelines for the Audit of Management on Government Companies, Follow-up Audit guidelines, Follow the Public Money Audit and guidelines from the auditor general certificate regarding financial statements.

Wan Suraya said the amendments to the act, passed last year, was a "game-changer" for the department in enabling a more comprehensive oversight of public spending and enhance governance in the country.