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Don't let populist politics sway you, auditors told

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politics, reporting for the sake of public excitement or to sensationalise certain issues, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said they should carry out their duties professionally, and remain inquisitive, sceptical and rigorous in applying high standards.

This was because they were looked upon as the guardians of financial truth and setters of due diligence.

It would be a mistake, Dr Mahathir said, for auditors to be influenced by their "clients", like the board of management for example, and to pander to the wishes of outsiders to prove certain parties guilty.

He said very often in the course of duty, auditors-general became privy to highly confidential matters or even secrets pertaining to national defence or economy.

"They should exercise professional judgment in weighing the pros and cons of disclosing such matters to the public as the repercussions may be far-reaching and detrimental to the long-term interests of the nation as a whole," he said when opening the 18th Commonwealth Auditors-General Conference at the Palace of the Golden Horses.

Elaborating on his statements at a Press conference later, he said the Government had no problem with auditors exposing wrongdoings if offences had been committed.

"But sometimes, the public, including the Press, form the opinion that a certain person is guilty. So they want the Auditor-General to prove that this person is really guilty.

"The Auditor-General should not be influenced by such sentiments, be it of the public or the Government. But if someone is guilty, then it has to be made known he has misappropriated funds or failed to adhere to financial regulations," he said, adding that the task of auditors was to state the truth and not be influenced by political considerations.

In his speech, Dr Mahathir said the mandate of auditors-general was to audit the management of the funds of their governments.

Governments, he said, had procedures which had to be adhered to by civil servants, including the keeping of proper records of transactions.

It was the responsibility of auditors-general to check whether or not funds were being managed in accordance with procedures and allocations, and the profession's transparency and integrity had to be beyond doubt.

He cited recent events where accounting firms auditing the accounts of large corporations had allowed themselves to be influenced by their clients.

The Prime Minister said there had to be ethics and responsibility on the part of the people involved in the profession; countries could go bankrupt unless accounting and auditing standards were above reproach.

With the advent of modern technologies like computer software and electronic government, auditors had to re-engineer their methodology and techniques to accommodate the changes taking place.

To a question at the Press conference, Dr Mahathir said ministries and departments would act on weaknesses pointed out by the Auditor-General in his annual report.

On how many officers had been hauled up, Dr Mahathir said there were a few, adding that heads of department were sometimes slow to take action.

On why cases revealed by the Auditor-General did not result in

prosecution, especially those involving negligence and abuse of power, Dr Mahathir said there may not be many such cases, adding most offences were dealt with at the department level.

"Sometimes they have purchased things which are not provided for. This is not serious ...it is not that they are pocketing the money for themselves.

"How to report to the police when they are in a desperate situation, like needing pencils badly so they buy them (without prior approval)?"