



**KEYNOTE ADDRESS**

**BY**

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**DEPUTY PRIME MINISTER OF MALAYSIA**

**cum**

**MINISTER OF WOMEN, FAMILY AND COMMUNITY  
DEVELOPMENT**

**AT THE**

**5<sup>th</sup> ASEANSAI SUMMIT**

Royale Chulan Hotel  
Kuala Lumpur, Malaysia  
6 November 2019

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Terima kasih saudara Pengerusi majlis.

[SALUTATION]

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Salam Sejahtera

1. Alhamdulillah, syukur ke hadrat Allah SWT kerana dengan limpah rahmat dan izin-Nya, dapat kita semua hadir pada pagi ini ke "ASEANSAI Summit ke-5 ", satu program yang bagi saya amat penting dalam menegakkan akauntabiliti, ketelusan, integriti dan tadbir urus yang baik.

Izinkan saya menyambung ucapan dalam Bahasa Inggeris, meraikan delegasi-delegasi dari luar negara.

2. It is a pleasure and an honour for me to be invited to deliver the keynote address and officiate the Fifth ASEANSAI Summit today.

I would like to extend a warm welcome to the Heads of Delegation and delegates

from all the 10 ASEANSAI Member Countries to this Summit.

Your presence today is a manifestation of your relentless support and high commitment in raising the bar of public sector auditing in the ASEAN region through the sharing of information, knowledge and experiences as well as the exchange of best practices.

3. Regional cooperation and collaboration, especially with an aim to achieve professional competence, is a function of growing interdependence in today's globalised environment.

Our ASEAN region has been blessed with immense resources particularly in terms of knowledge and expertise.

It is imperative that we capitalise on these by synchronising the national endeavours and regional plans to put us together on the path to ensure greater accountability and economic development for the country.

In this context, I am pleased to note that ASEANSAI's vision and mission to help the institutional capacity of ASEAN supreme audit institutions is in line with the ASEAN Community Vision 2025 in upholding good governance practices in the ASEAN region.

Ladies and Gentlemen

4. The 14th general elections on May 9th last year saw a change of the government administration, the first time ever in the nation's 61 years' history.

Accountability, transparency, integrity and good governance are the norms of the current administration and our priority agenda.

We are determined to reverse the alarming trends of abuse of power, corruption and impunity to transform the country towards a “New Malaysia” based on the principles of rule of law, fairness and inclusivity.

5. We emphasise the efficient allocation of resources and this has formed our fiscal policies in the Mid-Term Review of the

Eleventh Malaysia Plan 2016-2020 with New Priorities and Emphases.

Zero-based budgeting was introduced to take funds away from programmes, activities or projects that are inefficient, ineffective, fraught with leakages and channelled to programmes, activities or projects that do indeed work.

Every project is now scrutinised carefully and put through proper bidding and procurement processes so that we can get the right project built by the right people, for the right quality, at the right price and that is completed on time.

We believe that effective governance in the public sector encourages the efficient use of resources and effective service delivery.

A government which practices good governance in service delivery will gain the trust of the stakeholders and the public.

6. The Government has set up a Special Cabinet Committee on Anti-Corruption chaired by the Prime Minister to consider and determine policies relating to the establishment of governance, integrity and anti-corruption in the Government administration's management system. According to the data from the Malaysian Anti-Corruption Commission (MACC) from the year 2013 to May 2018, more than 60 per cent of corruption cases involved the public sector and of this number, 42 per cent were prone to public procurement.

I understand that the National Audit Department of Malaysia, as one of the members of the Committee, has been working closely with the National Centre for Governance, Integrity and Anti-Corruption (GIACC) to come out with proposals to tighten rules and regulations relating to procurement.

To date, the GIACC has approved the implementation of 100 anti-corruption initiatives, not including the 115 initiatives outlined in the National Anti-Corruption Plan (NACP).

The NACP 2019-2023 which was launched by Prime Minister Tun Dr Mahathir Mohamad in January 29 was developed by the GIACC in collaboration

with other government agencies to replace the National Integrity Plan.

The NACP outlines extensive strategies to promote integrity and good governance within the political and public sector administrations.

It contains 115 anti-corruption initiatives covering sectors such as politics; public procurement; law enforcement; public sector administration; legislation and judiciary; as well as corporate governance.

Ladies and Gentlemen,

7. Supreme Audit Institutions (SAIs) are the fourth line of finance defence in ensuring

proper management and use of public funds.

SAls provide independent and objective assessments of the government's financial position; utilisation of resources; and compliance to laws and regulations which enable the Parliament and other stakeholders to hold the government to account.

The fundamental reason for the existence of SAls is to provide assurance and credible information to stakeholders in the interest of the public through auditing works, whether it is a financial or attestation audit, compliance audit, performance audit and audit on Government- Linked companies.

8. The Auditor General's Report is an important document to the Government as it highlights issues and non-compliance to rules and procedures or actions that lead to wastage or leakages, or those that involve fraud.

Hence, the Government must take heed of the report in order to improve on the processes, performance and governance of government ministries, departments and agencies.

Once the Auditor General's report has been tabled in Parliament, the Public Account Committee will review issues highlighted by the Auditor General and call upon officers-in-charge from the government ministries, departments and

agencies to provide explanations on the issues highlighted.

It is crucial for the government ministries, departments and agencies to seriously consider the Auditor General's recommendations to improve the quality of financial management and performance.

9. Besides highlighting non-compliances of procedures and regulations, and weaknesses of the auditees, the SAIs need to monitor and undertake follow-up activities to ensure appropriate action are taken by the auditees.

I understand that the National Audit Department of Malaysia has developed an automated system known as the Auditor General Online Dashboard or in short the

AG Dashboard to register audit issues and monitor actions taken by auditees.

The AG Dashboard is accessible to the public, hence allowing greater public scrutiny of the issues highlighted by the Auditor General and actions that are taken by the ministries, departments and agencies to address the issues.

10. Another aspect of follow-up action pertains to action taken by other relevant agencies for cases where there are abuses of power, corrupt practices, and improper payments or criminal breach of trust or fraud being referred to the police for further investigation.

Cases involving disciplinary action on civil servants are normally referred to the Public Services Department for action.

Ladies and Gentlemen,

11. We are now living in a digital era and the emergence of Industry Revolution 4.0 may affect ASEAN as a whole.

ASEAN countries, including Malaysia, are experiencing an industrial transformation which includes data exchanges, cloud computing, cyber systems, big data, artificial intelligence and the internet of things.

Basically, every industrial revolution will require new and advanced skills.

Therefore, there is a higher need to prepare employees, including auditors, to be equipped with knowledge and skills of new technologies and to embrace IR4.0. In the ASEAN Connectivity 2025 Master Plan, digital technologies, particularly mobile internet, big data, cloud technology, the internet of things, the automation of knowledge work and the Social-Mobile-Analytics-Cloud (SMAC), could potentially unleash up to 625 billion US Dollars by 2030, and that is 8 per cent of ASEAN's projected gross domestic product (GDP).

This can be realised through an increase in efficiency, new products and services, and digital public goods.

The Master Plan goes to identify education, e-commerce, payment solutions, and cloud-based technologies as areas where ASEAN could be at the forefront of change, as opposed to simply utilising existing technologies.

12. In view of IR 4.0 and the extensive use of information technology in the government, auditors are now required to know and utilise technology in carrying out their audit tasks.

Ladies and Gentlemen,

13. To be effective in carrying out the mandated functions, the Supreme Audit

Institutions need to be independent from the executive.

This is in accordance to the Lima Declaration or the founding principles for the work of SAIs.

The independence of SAI is measured by fulfilling the following eight principles of the Mexico Declaration (ISSAI 10) as shown on the slide behind me.

***Principle 1: The existence of an appropriate and effective constitutional, statutory and legal framework.***

***Principle 2: The independence of SAI heads and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties.***

**Principle 3:** *A sufficiently broad mandate and full discretion in the discharge of SAI functions.*

**Principle 4:** *Unrestricted access to information.*

**Principle 5:** *The right and obligation to report on their work.*

**Principle 6:** *The freedom to decide the content and timing of audit reports and to publish and disseminate them.*

**Principle 7:** *The existence of effective follow-up mechanisms on SAI recommendations.*

**Principle 8:** *Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources.*

14. As the Malaysian Government recognises the importance of independence of the National Audit Department of Malaysia, the Special Cabinet Committee on Anti-Corruption which had its meeting in July this year has agreed in principle to enhance the independence of the Auditor-General by amending the Audit Act, 1957.

15. Amending the Act alone is not enough. We must also ensure the quality and competency of audit tasks by providing adequate funding, relevant tools and facilities, subject to the availability of the national budget as a whole.

In terms of Audit personnel, I am pleased to note that although the majority of auditors have accounting or finance

qualifications, the National Audit Department of Malaysia also has auditors who hold degrees in Information Systems, Statistics, Engineering and Computer Science.

A combination of knowledge and skills in an audit team will stimulate different ideas, perspectives and assist the audit team to deal with the various types of scopes of audit, techniques and the complexities of the audit works.

Ladies and Gentlemen,

16. I would like to emphasise the crucial need for cooperation and close interaction among members of ASEANSAI in

implementing the ASEANSAI Strategic Plan 2018-2021.

To recap, the Strategic Plan identified six strategic goals that are shown on the slide behind me.

- (i) To support the implementation of International Standards of Supreme Audit Institutions (ISSAIs) and other INTOSAI good practices;*
- (ii) To promote good performance of member SAIs*
- (iii) To support member SAIs to fulfill their role towards the successful achievement of the Sustainable Development Goals (SDGs)*
- (iv) To strengthen ASEANSAI active role within ASEAN agenda*

*(v) To improve the cooperation with regional and international partners*

*(vi) To strengthen organizational governance of ASEANSAI*

We are now already in November 2019, which means we only have two more years to achieve all these strategic goals. Hence, there is a need to really strive and work together in a smart manner to realise these goals.

I am sure with good leadership, close cooperation and strong coordination among members of ASEANSAI, these goals will be achieved within these two years.

17. As SAI Malaysia is the chairman for the Knowledge Sharing Committee, I believe the National Audit Department of Malaysia will be able to take the lead in sharing our experience in designing and implementing suitable programmes or activities.

In addition, I hope SAI Malaysia will lead the brainstorming on how to coordinate and collaborate learning and knowledge sharing at the ASEAN level.

To achieve a productive learning environment, it needs to balance the demand from stakeholders with the continuing development of SAI capacities.

18. The design of capacity building activities offered to the members of ASEANSAI

would definitely contribute to the achievement of ASEANSAI's objectives. With the continuous support from the 10 supreme audit institutions, I am confident that ASEANSAI would be able to become a model for other regional groups.

Ladies and Gentlemen,

19. ASEANSAI symbolises the solidarity of government agencies over 10 countries in fostering accountability and good governance.

The Fifth ASEANSAI Summit provides an excellent avenue for us to not only reflect on the two years' achievements but also to chart the path forward and discuss issues in a larger perspective to position

ASEANSAI in the international audit community.


ASEANSAI's success will ultimately be measured by how the contributions of SAIs have benefited stakeholders and the lives of citizens.

20. Lastly, I wish all of you a productive Summit and an enjoyable stay in Malaysia.

For our guests, please do not forget to spare some time to explore Malaysia.

We have wonderful places to relax, from islands to beautiful beaches to rainforests and highlands.

Malaysia is well known as a good paradise, so please do sample our variety of mouthwatering local cuisine.

21. On this note, and with  , in the name of God, the most benevolent and the most merciful, I hereby officiate the 5<sup>th</sup> ASEANSAI Summit.

Thank you for your kind attention.

وَبِاللَّهِ التَّوْفِيقِ وَالْهُدَايَةِ

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

dan Salam hormat