

Internal Audit in the Federal Government Organizations of Malaysia: The Good, The Bad and The *Very* Ugly?

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Abstract - Theoretically, the internal audit function exists to help members of an organization to improve the performance of their activities. But the findings from in-depth interviews conducted in the middle of 2004 with internal auditors from a total of 40 federal government ministries, departments and agencies in Malaysia revealed a number of serious shortcomings that far outweigh the few virtues identified during these interviews. These shortcomings are that many internal audit units face staff shortages, and staff lacking in internal audit competence. In addition, a majority of the audit units, most of which operate in outdated audit modes, have failed to get the right level of support and assistance from the Treasury and other parties. Worse, their effectiveness and efficiency are further threatened by the high-handed actions of the National Audit Department which shifts its cadre staff in and out of the internal audit units at will. Despite all these problems, these internal auditors are quite optimistic about the future of internal audit in Malaysia. But, according to the politics of accountability theory and the fact that Malaysian social context is replete with cases of the lack of transparency and public accountability from its major actors, the internal audit's future does appear bleak.

Keywords - internal audit, federal government organizations, in-depth interviews, Malaysia

INTRODUCTION

The responsibility of the management of public sector organizations to maintain an effective system of internal control, and the role of internal audit therein, is well documented (eg. Dowsett and Morris, 1981; Buttery, 1985; Coombs and Jenkins, 1994; Jones and Pendlebury, 2000). In Malaysia, the requirement of having an internal audit function for public sector entities was started a quarter of a century ago in Treasury Circular No. 2 (1979) on Implementation of Internal Auditing in Federal Government Agencies. A quarter of a century later, in October 2004, the government, through its treasury director general, issued circular No. 9 (2004) to replace the 1979 circular (*New Straits Times*, 2004). But in spite of this relatively long history, to date

there appears not to have been even one research project probing the status of the internal audit function in the federal government.

FRAMEWORK

In public sector organizations, the internal audit function appears to hold high potential for promoting accountability and improving government performance. Thus, not surprisingly, several countries have developed policies aimed at strengthening public sector internal auditors to enhance their capacity for contributing to these goals (Auditor-General of Australia, 1990; Office of the Auditor General of Canada, 1993 and 1996; Light, 1993; Newcomer, 1994 and 1998).

Policy measures include the following: having internal audit units established in all public sector organizations; establishing standards for the professional conduct of audit work; expanding reporting arrangements; and broadening mandates to make auditors responsible for performance assessment. Also, the understanding that internal auditing is an important tool for accountability has led, in the case of the United States, to the traditional internal audit functions being transferred to Inspectors-General who report findings to both Executive and Congress. Therefore, in the United States, internal audit is currently also a tool for external accountability - no more merely a tool of internal accountability intended to aid senior management of the government organizations.

Nonetheless, available evidence on the reality of internal audit operations in recent times paints the picture that there is much room for improvement. In the United States, Canada and Australia, the following situations are the most commonly found: inadequate audit coverage, particularly of areas of major significance and high risk; a tendency to focus audits on compliance and regularity to the detriment of performance of audits of economy, efficiency and effectiveness; and, senior managers within agencies giving little attention to audit findings. Furthermore, in Canada and Australia, there are deficiencies in the professional qualifications of audit personnel and in the involvement of senior management in audit planning. As for the United States, based upon his study of the work of the nation's Inspectors General, Light (1993, p. 224) concludes that "government appears no more accountable today than before the IG Act."

The dichotomy of internal audit ideals and their realities do not exist in just these three developed western countries. In the developing African country of Sudan, the situation is actually quite bad. As noted by Brierley et al. (2001, pp. 73-4), the typical internal audit department in Sudan is engaged in the largely routine authorisation of transactions, is staffed by inexperienced and untrained personnel, and has insufficient credibility, independence and authority to act in the manner expected of internal audit personnel. Employing interview and observation research methods, they conclude that in the few places where internal audit may be in operation, it has failed to meet even one of the five core standards of the Institute of Internal Auditors of the United States in terms of independence, professional proficiency, scope of work, performance and management.

In another developing country, the picture of internal audit in the public sector is also not that encouraging. As noted by Schwartz and Sulitzeanu-Kenan (2002), in Israel the recent efforts to strengthen internal auditing through implementing a top-down legislative solution "... have not significantly improved the overall performance of audit units in the lion's share of ministries and statutory authorities." After employing a variety of research methods including in-depth interviews with 25 internal audit units of government ministries and statutory authorities in order to collect the data, they conclude that internal audit units operate "well below reasonable capacity and accepted practices."

In Malaysia very little is known of the state of internal audit in the public sector as a whole. The same may also be said for internal audit in the private sector. To date, merely a handful of research projects appear to have been conducted in the private sector. What is possibly the first one was conducted by the Malaysian Institute of Accountants (MIA) in June 1988 (MIA, 1989). The study involved the sending out of questionnaires to the heads of internal audit of 658 organizations in both private and government sectors, and including all companies listed at the Kuala Lumpur Stock Exchange (KLSE) (now, Bursa Malaysia). Following the publication of this report, the MIA in August 1989 conducted another study which it says was more in-depth than the earlier one (MIA, 1991).

Two sets of questionnaires were sent out, one to internal audit managers and another to chief executives. The responses totalled 106 (19 percent) from the internal audit managers and 133 (24 percent) from the chief executives. The ensuing Report No. 2, issued in January 1991, discloses that these questionnaires were sent to 555 organizations covering both listed and unlisted companies, statutory authorities and government departments (MIA, 1991, p. 3). In contrast to Report No. 1, it does not disclose how many from the government sector actually responded. It is also apparent that the report succeeds in glossing over the various issues uncovered by the study, such as sites, within an organization, the internal auditors allowed to audit. In the end, the MIA tried to justify Malaysia's elemental kind of internal audit function by describing the activity as an "emerging one" (p. 2) and the profession as an "emerging profession" (p. 10).

Besides these two studies conducted by the MIA in late 1980s, there appears to be only two other studies, conducted in the next decade. One study was conducted by a group of Australian academics (Mathews et al., 1995) on internal audit in both private and government organizations (and which later was used in a benchmarking study by Cooper et al., 1996) and another in late 1999 by a combined effort of the audit firm Ernst & Young, Malaysian Institute of Corporate Governance (MICG) and the Institute of Internal Auditors Malaysia (IIAM) (Ernst & Young et al., 2000) on internal audit in companies listed at the KLSE and Malaysian Exchange of Securities Dealing & Automated Quotation Bhd. (MESDAQ). While the MIA studies are concerned with an "overview" of internal audit, the next two focus on the nation's internal audit "profile". But just like the MIA studies, the latter two studies do not really provide much detailed information of the actual operation of internal audit in Malaysia.

In recent years, a team of researchers headed by the one conducting the present study had embarked upon a similar study on internal audit in the state and local governments of Malaysia which forms a section of the nation's public sector (Azham et al., 2007). The findings from in-depth interviews conducted with internal auditors from 35 state and local governmental bodies (SLoGBs) located in Peninsular Malaysia in the third quarter of 2003 show that the audit function faces numerous challenges. A mere 35 out of the then 202 SLoGBs had an internal audit

capacity. The problems range from staff, skills and training shortages to premeditated obstruction of the auditors in their attempts to perform their duties.

Major questions have remained unanswered when it concerns the practice of internal audit in the nation's federal government. This is simply not conducive to any serious effort to squarely face the challenges of globalisation. Thus, this study shall attempt to shine a light into that "black hole" of understanding, thereby contributing to real and sustained efforts for national development.

RESEARCH OBJECTIVES

The present study of internal audit in federal government ministries, departments and agencies is number two in a series of three studies which is concerned with the internal audit function in the public sector of Malaysia. The primary concern of the study is to provide a catalogue of the forms of internal audit being practiced in Malaysia's federal government ministries, departments and agencies. Its secondary focus is on generating policy recommendations intended to strengthen the internal audit function. This paper is one of a total of two published paper outputs of the study. Its specific aim is to give a more balanced and concise picture of internal audit strengths and weaknesses in the federal organizations. This is in contrast to the other paper output (Azham et al., 2009) which has the objective of describing the various audit weaknesses and the reasons for such weaknesses in detail.

RESEARCH DESIGN

Population and Survey Sample

The government hierarchy has three levels: federal, state and local. Local governments include the city, town and local councils, depending on the territory's population. The current study covers forty organizations at the federal government level: 21 ministries, 10 departments and 9 agencies. See Appendix A for the list of the organizations.

Methods of Data Collection

The main form of data collection was through face-to-face interviews with the internal auditors in the federal government organizations. Most of these auditors were working in audit units, while a few others worked in audit departments. Appendix B provides the list of positions held by these auditors. As can be seen in Appendix B, out of a total of forty auditors interviewed, twenty seven, or more than two thirds, held the post of head of the internal audit unit or department.

These auditors were asked a total of sixty questions, which were grouped into four sections: (A) Background information; (B) Organizational Audit Practice; (C) Supportive Efforts towards Organizational Audit Practice; and (D) Internal Audit in the Organization and Government Sector as a Whole. Of the sixty questions, 51 were close-ended, structured type (Sections B and C) and 9 were open-ended, semi-structured type (Section D). Also, a total of 12 questions from Sections B and C had more than one sub-part - (a), (b), etc. - to them. A majority of the close-ended type of questions also had spaces for participants to add their comments.

In regard to the categories of questions asked, the close-ended structured type questions (Sections B and C) were concerned with the following: facts, such as the number of internal audit personnel; perceptions, such as knowledge elements needed by internal auditors to ensure the fulfillment of their present roles; and, the extent of agreement with various statements. As for the open-ended semi-structured type of questions (Section D), these were also divided into three categories: the history and future of internal audit operation in the organization; weaknesses and strengths of the internal audit unit in the organization; and, obstacles and potential for change in the operation of internal audit in the public sector as a whole.

Numerous sources were referred to in developing this questionnaire including Brierley et al. (2001), Schwartz and Sulitzeanu-Kenan (2002), the two overseas studies by Ernst & Young, the MIA studies and the Auditor-General of Malta's report. Others that were crucial in preparing the questionnaire were Liu et al. (1997), Gavin et al. (1995), Cooper et al. (1994) and Vinten (1991). Specific aspects of the questionnaire drew

assistance from the following works: Palmer (1996), Ziegenfuss (1995) and Chan (1995).

In particular, the main component of the questionnaire - section B - was developed from the 2002 version of the Standards for the Professional Practice of Internal Auditing (SPPIA) issued by the Institute of Internal Auditors of the United States, which may be found in IIA (2003b, 2003c). The fact that this was done is not unwarranted. As stated by Whittington and Pany (2001, p. 788): "To maintain consistently high-quality services across the internal auditing profession, the IIA has issued the *Standards for the Professional Practice of Internal Auditing*. These standards ... set forth the criteria by which the operations of an internal auditing department should be evaluated and measured." Besides SPPIA, another document that was referred to extensively while preparing Section B of the questionnaire was the Canadian Government's Internal Audit Policy and Standards (Treasury Board of Canada Secretariat, 2002), which has many similarities with the Attribute Standards and Performance Standards that form important sections of the IIA's SPPIA.

Finally, there were also sources downloaded from internet sites. These have been noted in the last section of the references.

RESULTS AND DISCUSSION

From having conducted face-to-face interviews with internal auditors during May, June and July of 2004, a number of interesting facts on the audit practice were discovered. These can be categorized as the good, the bad and the *very* ugly. Note that due to space constraints, the examples provided for each are not exhaustive.

The Good!

Among the encouraging features are aspects of the audit charters, different facets of audit independence, audit reporting and good support from top management. Other good qualities of the internal audit function cover various aspects of the day-to-day execution of the audit practice.

Audit Charter

The presence of an audit charter may be considered of utmost importance for internal auditors and those who they interact with. This is because the document is instrumental in clarifying many matters which come under the purview of the internal auditors. In short, confusion among some parties as to the roles and responsibilities of internal auditors may disappear once this document is circulated. With the exception of one organization, all others have developed such a document.

Audit Independence

For both external and internal auditors, their independence from those they audit is crucial for the success of their function. It is perhaps more difficult however for internal auditors to gain and maintain independence because they are actually employees of the organization. Fortunately, lack of audit independence is not the typical story of a majority of federal organizations. See Table 1. In fact in regard to the freedom to obtain the necessary assistance of personnel from areas of the organization where audits are being performed, auditors from each and every single one of the organizations agreed that that is the case. There is no surprise for this kind of finding since the internal audit function in all but one of the organizations is placed at a very high level in the organizational chart.

Table 1. Independent issues faced by audit staff

Issues	Yes	%	Other than Yes	%
Face no obstruction to audit whichever offices, records, property and personnel	38	95.00	2	5.00
Have regular access to senior personnel	39	97.50	1	2.50
Free to allocate resources, set frequencies, select subjects, determine scope of work and apply the techniques required to accomplish audit objectives	39	97.50	1	2.50

Continuation of Table 1

Free to obtain the necessary assistance of personnel in areas of the organization where audits are performed	40	100.00	0	0.00
Free to produce audit reports where the contents may not be to the liking of individuals or groups associated with the organization	38	95.00	2	5.00

Audit Reporting

There exists frequent communication of audit findings with the relevant parties in each and every one of the organizations. Auditors from 16 organizations or 40 percent of respondents, provide both written and oral reports. The rest merely provide written reports. Table 2 identifies the recipients of the audit reports. In almost all of the organizations, the organizational head is the recipient.

Table 2. Audit report recipients

Recipients	Total	%
Head of the organization	39	97.50
Audit committee	22	55.00
Head of finance or accounting department	20	50.00
Other parties	15	37.50

Auditors from a majority of the organizations (35 or almost 88 percent) also claimed that their written audit reports include the management action plan for each of the recommendations. This is encouraging news. This action plan would clearly identify actions to be taken, and their timing. It is also notable that in three of the four organizations where the audit report does not include the management action plan, as claim by the auditors concerned, the parties mentioned in the report are required by the organizations to respond by filing an action plan or similar response with parties such as the head of the

internal audit unit, the head of the organization, or the audit committee.

When asked whether the auditor was required by the organization to monitor whether or not the relevant parties had undertaken action as suggested in the audit report, auditors from a majority of the organizations (35 or almost 88 percent) disclosed that that was indeed the case with them. In the organizations where the auditors are not the monitoring agency, it was mentioned that those who are now playing the monitoring role include the financial departments or the organizational heads.

That the monitoring of audit implementation is important and should never have been taken lightly by any one in the public sector is apparent in this remark from an auditor in the open-ended section of the interview:

Yes! A lot of difference can be seen on what is taking place now with internal audit around when compared to before. Previously there were a lot of procedures being ignored or contravened. But now the feeling among the personnel is that all their work is being reviewed. Moreover, the internal audit personnel have always done the follow-up on past audit findings to make sure these are not repeated.

Auditor-Top Management Interaction

It is crucial that good interaction exists between the auditors and other parties inside the organization. Without such interaction, the auditors might as well not be around since it would be very hard for them to do their job effectively. On a scale of one to five from “Strongly Agree” to “Strongly Disagree”, internal auditors from all of the organizations answered either “Strongly Agree” or “Agree” with the statement that top management recognizes their accomplishments. One who responded “Strongly Agree” also added the following comment:

They always ask for the auditor’s view when making decisions.

Some other comments from his or her counterparts from other audit units (who “Agreed” with the statement) include the following three:

Every time after an audit is completed, the big boss will show appreciation and say thanks for an audit job done well.

Top management gives praises during management meeting for completing audit jobs.

The departmental head and top management give support to audit jobs and audit opinions. They have never stopped us from conducting any audit. Related to recognition for audit officers, I can safely say that almost all of them have received the excellent award. This means they recognize the achievement of the audit unit's work.

With one exception, auditors all answered either "Strongly Agree" or "Agree" with the statement that audit recommendations are frequently implemented. Also, a majority of the auditors responded either "Strongly Agree" or "Agree" on whether management provided sufficient feedback on these recommendations and findings. Many of these auditors also added interesting comments to their answers.

On whether audit recommendations were being frequently implemented, respondents had the following comments:

There is implementation of the suggestions made by internal audit. Any comments made are accepted.

As far as the audit jobs which have been completed are concerned, the audit recommendations have been accepted by the relevant parties.

As for whether management provided sufficient feedback on these recommendations and findings, auditors from 35 organizations or almost 88 percent stated either "Strongly Agree" or "Agree". A representative sample of comments follows:

Audit issues or findings are brought up in meetings.

The audit report is sent to the auditee and presented at the JKPA meeting at which the auditee has got to provide the response.

Management provides full cooperation.

The Bad!

The discouraging aspects of the internal audit function in the federal organizations are concerned with the inadequate number and relative competence of audit personnel. Both issues have led to the emergence of other issues, such as limited audit scope and coverage.

Auditor Shortage

As shown on Table 3, two-fifths of the audit units have at most a meagre five personnel. Less than a third have more than 11 people.

Table 3. Audit staff available

	Total	%
Fewer than 3	2	5.00
Between 3 and 5	14	35.00
Between 6 and 10	11	27.50
Over 11 people	12	30.00
Total	39	100.00

Auditors from over two-thirds of the organizations (or 28 of them) claimed that they have insufficient personnel to cover their designated tasks. Table 4 shows the perceived shortfall in staff numbers in the audit units surveyed. Thus, auditors from more than a fifth of the organizations believed that they are short of staff by more than 11 members. In addition, auditors from over a third of the organizations believed that the staff shortage is between four to ten personnel.

Table 4. Audit staff shortage

	Total	%
Inadequate by 3 or less	12	42.86
Inadequate by 4 to 5	7	25.00
Inadequate by 6 to 10	3	10.71
Inadequate by over 11	6	21.43
Total	28	100.00

It is startling that auditors from among those audit units who claimed to be short by more than 11 personnel, one believed it should

have 22 and another 20 audit personnel, compared with their current staff complement of fewer than five. In the most dramatic case, there are presently only two personnel trying to perform the tasks normally covered by a team of 24. In another extreme case, the audit unit which comprises fewer than thirty members, needs to be increased to more than a hundred and twenty to perform its tasks adequately.

Among those experiencing staff shortage, one said the following: The shortage of personnel is so severe that this has affected the operation of the internal audit department. In an open-ended section of the interview, the same person clarified this by saying that due to the staff shortage, which is at a 'critical' level, the audit unit has failed to cover a broad spectrum of audit tasks. The same situation is mentioned by at least two other auditors. More exactly, the first auditor said that the main problem faced by the unit is that audit coverage is too broad: too many parts of the organization need to be audited in comparison to the number of personnel in the unit. As a result, not all parts of the organization undergo a broader scope audit. Similarly, the second auditor claimed that the unit is not able to do a more comprehensive audit due to the staff shortage. He or she said that many audit programs and ideas in the audit plan are not implemented because of a shortage of staff.

Though these two auditors did not specify the kind of audit that they are forced to perform, in all probability it would simply be a financial management audit. In fact, an interviewee from among the rest did state that the staff shortage has led to that unit focussing on financial audit, and nothing else, over the years. This remark was supported by yet another auditor who, in an open-ended section of the interview, identified the main problem faced by the audit unit as a staff shortage issue. He or she said:

The main problem faced by internal audit is that there is not a sufficient number of personnel to cover the workload that the department is supposed to handle. As a result, the department focuses on financial audit. As for management or operational audit, it will only be conducted on sections of the organization which are having problems or which need specific attention.

Audit Training and Development

Auditors from each and every organization said, in the closed-ended part of their interviews, that the audit personnel participate in staff training and development programs. A majority of them also said that these programs are conducted both internally and externally. See Table 5.

Table 5. Types of staff training and development programs

	Total	%
Internal only	2	5.00
External only	6	15.00
Both internal and external	32	80.00
Total	40	100.00

Auditors mentioned several external bodies providing courses to audit personnel. These include the public sector internal audit advisory unit known by its acronym BNPk (see below) at the Treasury, the National Audit Department (NAD) and government agencies INTAN and MAMPU. For certain federal departments, their internal audit course providers have also come from the internal audit units located within the ministries which they are under. Finally, auditors from a minority of the organizations have also undergone training programs organized by overseas and local entities including the MIA and IIA Malaysia (IIAM).

Not everyone however gets the chance to attend externally provided training and development programs. There is one sad case described in the following manner by the auditor concerned, in response to the question on the main problems faced by the audit unit:

The main problem is to get personnel with experience because most of the personnel sent by NAD have been newly hired. Furthermore, the budget for the internal audit unit for training and courses is a mere RM 5000 per year. Even though the strategy to enhance the internal audit performance is to provide courses and training to these new

personnel, there is a limited budget and they can attend internally arranged courses only.

It seems that auditors from a significant number of the organizations have positive views on the three aspects of the training and development programs that they have been offered: sufficiency, completeness and current relevance. See Table 6.

Table 6. Opinions on staff training and development programs

	Sufficient		Complete		Current	
	Total	%	Total	%	Total	%
Yes	29	72.5	29	72.5	33	82.5
No	7	17.5	9	22.5	4	10
No Comment	3	7.5	1	2.5	2	5
No Answer	1	2.5	1	2.5	1	1
Total	40	100	40	100	40	100

While the responses to the close-ended questions on staff training and development programmes appears to suggest that a significant number of the auditors are happy with the training that they are getting, the reality is that there are some who said otherwise in the open-ended section of their interviews. Auditors from a total of eleven organizations (over 25%) presented contradictory responses. Four of these cases of inconsistency are described next.

The first case involves an auditor who, in response to the question on the main problems faced by his or her internal audit unit, said: The main problem involves knowledge and implementation of audit techniques which are effective, plus the shortage of auditors and of certain expertise, especially in regard to ICT. There is a need for certain parties to provide courses or workshops which could lead to effective audit techniques. Later, in regard to another question on the reasons leading to such problems, he or she said among others the following: There is no special training center or specialist who can provide effective audit training to new auditors.

The second case concerns an auditor who identified the weaknesses

of the audit unit as follows:

The weaknesses of the internal audit unit arise from the lack of exposure to new audit techniques, such as risk management, forensic accounting, IT, etc. that are needed to enhance the auditor's knowledge in auditing.

The third case concerned an auditor who said that the problems faced by the audit unit are related to audit personnel that are devoid of expertise, and do not have access to the right software. According to this auditor, the root cause of these problems is that: The NAD and the BNPK need to play their role better.

The fourth and final case is really interesting since the auditor made it clear early on, in talking about the main problems, that: There is no advanced auditing course offered in Malaysia, especially in the fields of IT and Investment Operation and Treasury.

Furthermore, he or she claimed that the audit unit's weakness is due to its having audit personnel who lack experience in and exposure to these two areas. Finally, in talking about the fundamental factors leading to these problems and weaknesses, he or she identified the following: Lack of both exposure and confidence due to the lack of training in certain areas. Courses conducted and seminars are limited. It is notable that the views of these four auditors are in close agreement with those who did *not* agree with the statement that the training and development programs are sufficient, complete and of current relevance. The following are three examples from those auditors whose views on the inadequacy of training and development are consistent in both sections.

In the close-ended part of the interview the first auditor mentioned that the staff training and development programs are neither sufficient nor complete, though they are of current relevance. In the open-ended section of the interview the auditor stated that:

The internal audit weakness is related to its inability to conduct financial audit because it does not possess the expertise in handling the computerized accounting system used by the organization.

And the source of this weakness is

... the lack of exposure and training in current audit approach especially in computerized auditing.

The second example involves an auditor who, in the close-ended part of the interview, claimed there are insufficient trainings and

development programs, while accepting that such as there are, do have completeness and current relevance. He said that among the factors contributing to the weaknesses of the audit unit is a lack of training in computerized auditing and in performance audit. The situation is dire since most of the audit personnel are new faces and lacking in expertise and in need of a lot of guidance and training. This in turn means that the unit is not able to complete its tasks in an expeditious manner.

The third and final example is from an auditor who responded 'No Comment' on whether staff training and development are sufficient, complete and current. Next, in the open-ended section of the interview, he or she said: The problem faced by the internal audit unit in the organization is the lack of expertise and experience, leading to problems in satisfying management expectations of the audit function.

Overall, based on the views from a significant minority of auditors in the open-ended section of the interviews, it is obvious that there is a need for improvement in the training and development programs for the audit personnel. One significant need is for courses and workshops that are up to date. Another area requiring improvement is inside the organizations where the audit units function. As claimed by an auditor, staff development and training programs are inadequate, insufficient and lacking in current relevance not because of the fault of the providers of these programs but because his or her organization has failed to allocate adequate budget resources for audit staff training. As a result, in his or her unit, they have very few personnel all of whom are lacking in audit experience, and there are now insufficient funds for them to attend appropriate training programs. Accordingly, improvement can only begin once the departmental heads have allocated sufficient funds for audit staff training. But this may be easier said than done

The Less than Advance Audit Mode

Responses in the close-ended part of the interviews provide the picture that the nation's public sector internal auditors are conducting audits of limited scope. First, when it concerns the specific responsibilities or tasks required in the audit charters, Table 7 shows the most popular ones are assessing compliance with policies, plans,

procedures and law, and appraising the adequacy and effectiveness of internal controls. As for the less popular tasks, these include fraud investigation, assessment of risks faced by the organization and IT audit.

Table 7. Responsibilities or tasks specified in audit charter

Responsibility/Task	Total	%
Assess the extent of compliance with policies, plans, procedures and law	37	94.87
Appraise the adequacy and effectiveness of both accounting and administrative internal controls that are applied in all the activities of the organization	35	89.74
Hand in objective and timely reports to the department head so that he or she is made aware of the relevant aspects of the organizational position and performance	35	89.74
Verify the existence of assets and the proper safeguards for their protection	33	84.62
Ascertain whether established objectives and goals have been achieved	33	84.62
Appraise the economy and efficiency of resource usage	33	84.62
Contribute towards the organization's governance process by evaluating and improving the manner in which organizational values and goals are established, communicated and preserved, and by ensuring accountability	30	76.92
Ascertain the proper dispensing of government revenues	28	71.79
Provide information to the relevant outside parties (such as BNPK)	27	69.23

Continuation of Table 7

Suggest steps to improve the working of the governmental body	26	66.67
Review information reliability and integrity	26	66.67
Conduct financial auditing activities separate from those conducted by the external auditors	25	64.10
Conduct financial auditing activities in close cooperation with the external auditors	24	61.54
Provide advice in setting up policies and procedures	21	53.85
Investigate frauds	20	51.28
Identify and assess “risks” faced by the organization and analyse and evaluates controls established to respond to such risks	19	48.72
Conduct information technology audits (IT Audit)	19	48.72
Assess the presence of adequate criteria to determine whether the government entity’s objectives have been accomplished	17	43.59
Conduct special projects	15	38.46
Conduct detailed checks on expenditures prior to payment	12	30.77
Some other responsibilities	6	15.38

Second, in regard to the knowledge elements which an internal auditor needs to possess to fulfill his or her “current” role in the organization, a majority of those interviewed provided answers indicative of working in either “traditional” or “modern” mode of internal auditing, as opposed to that of the “advanced” type (see Ridley and Chambers, 1998). Hence, the preference for subjects such as auditing, financial accounting and control, in contrast to risk issues, concepts and management techniques, globalization and forensic auditing. See Table 8. It is notable that when the same auditors were asked to state what they thought their future knowledge elements should be, their answers did not differ much from those in Table 8 –

with the exception that they now view forensic audit to be quite an important knowledge element for the future.

Table 8. Current knowledge elements

Knowledge Elements	Total	%
Auditing and analytical skills	39	97.50
Financial accounting	37	92.50
Communication techniques	36	90.00
Interrogation techniques	35	87.50
Types of controls (preventive, detective, directive and corrective)	35	87.50
Ethics	35	87.50
Computer technology	34	85.00
Red flags (indicators of fraud such as unauthorised transactions, overrides of controls, unexplained pricing exceptions or unusually large losses)	32	80.00
Laws	30	75.00
Types of fraud	30	75.00
Cost accounting	26	65.00
ISO framework	21	52.50
TQM	21	52.50
Risk vocabulary, concepts and management techniques	20	50.00
Globalization	17	42.50
Forensic auditing	6	15.00
Others	5	12.50

With the close-ended section of various interviews providing the picture that auditors are working in less than advanced audit mode, it is perhaps not surprising to get similar findings from the open-ended section of interviews with numerous auditors. For example, due to

the lack of knowledge among the auditors (which in turn is caused by the lack of appropriate training), there is very little 'audit through computer'. The following remarks coming from two auditors are most revealing.

In response to the request to identify the main problem faced by the audit unit, one of these two said: The main problem faced by the audit unit is the lack of expertise and knowledge and experience especially in IT audit. As a result, as far as this particular auditor was concerned, the main weakness of the audit unit is its failure to 'audit through computer' the various systems used in the organization.

As for the other auditor, the weaknesses of his or her audit unit are as follows: Audit scope, which is not wide, but is in fact limited in scope. The lack of competency and experience in IT audit has also limited the internal audit scope.

It is also notable that in so many of the open-ended sections of the various interviews, the auditors mentioned that their audit units are mainly concerned with financial management audit. In fact, there is an auditor who went as far as describing the present performance of the audit unit as follows: There is no problem since the audit scope is seen to be getting smaller and easier compared to external audit performed by the NAD.

In most cases, it appears that the limited and reducing audit scope has come about mainly because of the shortage of personnel and more particularly of personnel competent in key areas of IT and performance audit. A good example is concerned with an auditor who said the following about the audit scope of his or her audit unit:

Internal audit is mostly focused on the financial audit in comparison to performance audit over for example IT management development, which is still under the NAD. Why is that the case? This is related to staff shortage and inadequacy of skills, making it impossible for the internal audit unit to conduct the same level of audit as the external auditor.

But it seems that for some audit units the reasons for their beleaguered existence are more than just staff shortages and a shortage of appropriate skills. Note the following observations about the weaknesses in the audit unit coming from an auditor:

In regard to equipment and facilities at our disposal, these are not conducive to good work since the internal audit personnel not only use old computers but also have to share them. In addition, we have very few personnel with sufficient experience and expertise especially in fields such as IT audit.

Next, when talking about the fundamental reasons for this shortage of equipment and lack of expertise in areas such as IT audit, the following list was provided:

- There is a lack of support and attention from the relevant section in the organization, which probably does not think much of internal audit, and that does not fully understand the internal audit function;
- The lack of staff training is due to the limited amount allocated for that purpose;
- There is a lack of exposure to current audit techniques.

Though the view that others are to blame for the current sad state of internal audit appears to be widespread among the auditors, there are those who hold contrary views. In short, in their view the failure of internal audit units to provide added value to their organizations in most government organizations today is the fault of the auditors themselves. The detailed opinions of two auditors holding this view are described next.

As stated by the first auditor, the internal auditors working in the public sector have failed to include risk factors in their audit approach, do not do effective follow-up, do not provide added-value service and behave as 'watchdog' to management instead of as 'business partner' to everyone else inside the organization. Therefore, in his or her view, the following list of things has to take place in order to make auditors more effective and capable of adding value to their organizations:

- Apply a risk-based audit approach;
- Conduct follow-up and confirmation of corrective action taken;
- Get involved in evaluation and inspection of systems, products and new services from the beginning of project to its end. By doing this all the control suggestions and safety features may be integrated prior to the implementation of the project;

- Play the role of an advisor and consultant by giving appropriate advise and views.

The second auditor had the following to say about the internal auditors' failure to add value to their organizations: This is probably because of an inappropriate audit approach. Most auditors in the government sector apply conservative techniques and do not focus on having a good relationship with the auditee.

These two auditors are probably right in viewing the internal auditors themselves as at least partially responsible for the current sad state of internal audit in the public sector. This is supported by the very fact that other auditors interviewed use language that shows that they are seen as policemen whose only task is to catch errant workers. For example, in response to the open-ended question on whether the internal audit function would be more important in the future for his or her organization, an auditor said:

The internal audit function is indeed important as an internal control, plus the fact that it is needed to search for those who have done wrong. This fits in with the policy on integrity introduced by the most honorable (prime minister) Datuk Seri Abdullah Hj. Ahmad Badawi.

On the other hand, the use of an inappropriate audit approach may not be the only reason for the auditor failing to provide added value to their organizations. On the state of internal audit operation in the public sector as a whole, one auditor remarked:

It depends on the work culture found in the organization. In most cases, the mentality of government officers is that they are not sensitive in identifying the rationale behind the task on hand; instead, they like to stick to the slogan 'others in the past did it this way ...' As a result, they would also do that which they have learned or which they have inherited, without much questioning. This does not seem to be an isolated view, and echoes the views of a counterpart in another organization who identified similar reasons for the weaknesses or problems faced by his or her audit unit:

The main problem in the government sector is concerned with the work culture inside the respective organizations. Mostly they follow the wrong old habits which, however, are considered to be right, because 'people in the past did it that way'.

For the audit function to move into the advanced audit mode, there is no short cut: changes have to take place in the audit practice itself and its surrounding environment. If not, in the future, there are likely to be many more problems emerging, since, as observed by an auditor, the coming years will include the change from manual to IT based accounting in the government operation!

The Very Ugly?

There are two areas where a spectre of discomfort is crystal clear. One is concerned with the NAD. The other concerns the BNPK in the Treasury.

The Menacing NAD!

In talking about the current operation of internal audit in the government sector, an auditor said: OK. It is moving towards the goal of internal audit. But the number of audit personnel is still lacking. We also need to spend more time to train the new personnel.

Asked for the reasons for the personnel being under trained and too few for the tasks required of them, he or she answered: The fundamental reasons are beyond the control of the audit unit especially in regard to staff intake by SPA through the PSD. Indeed, NAD too could equally be named as part of the fundamental reason for the staff situation being beyond the control of the internal audit units. This is as mentioned by a counterpart from another audit unit who placed the blame for the staff shortage faced by the unit squarely on the NAD:

When it concerns staff shortage, the NAD could perhaps do better in filling in the internal audit post. It is the NAD which appoints the internal audit officers – not the organizations themselves.

That the NAD has much say over the practice of internal audit in the nation's public sector is hard to deny. As said by an auditor: All changes in internal audit in the ministry in regard to the standards and rules are dependent upon the NAD itself. Apparently many of the personnel of the internal audit units come from the NAD to fill cadre posts. These people work temporarily in the units with the expectation of eventually returning to NAD to resume their work as

external auditors. The extent of what this means to the internal audit units is described by two auditors. The first simply said: The internal audit head also faces control issue over its personnel since those who are filling in 'cadre posts' may be taken back by the NAD whenever it wants to.

The second auditor vividly described the whole issue of the weaknesses experienced by the audit unit as being related to the frequent shifting of personnel. This is how he or she put it: If there is a frequent shifting of personnel, it will affect the smoothness of the work done because the unit will need to go through the process of training new personnel all over again so that they can reach the level of competency possessed by the more senior personnel. Next, he or she said the following: It is up to the Auditor-General himself since he is the one who issues the transfer orders. If there is a frequent shifting of personnel, it will hurt both the audit unit and the auditee.

This complaint about the NAD's practice of shifting its personnel in and out of internal audit units could have been made by any or all of the auditors interviewed. In summary the issues are:

- There is frequent shifting of personnel into and out of the audit unit.
- This slows down the work pace because new personnel need to undergo training before they become competent.
- The frequent shifting of staff results in vacant posts that take time to be filled.
- Because the instruction to move staff into or out of the audit units comes from the Auditor-General there is apparently nothing which the head of the audit unit or the organization can do – even though what is happening is hurting both the audit unit and the auditee.

What makes this practice of the NAD worse is the fact that it always takes the most capable personel out from the internal audit units, replacing them with staff with little experience or knowledge of audit. Two auditors have vividly accounted these disturbing practices of the NAD. While talking about problems faced by his or her audit

unit, one says the following:

There are also problems in the ministry where the experienced personnel are taken back by the National Audit Department since most of the internal audit personnel in the ministries and departments occupy 'cadre post'. This automatically means that the internal audit department is 'losing' experienced personnel and is then forced to train new personnel.

As for the other auditor who is him or herself an officer of the NAD presently working as the head of an audit unit, the following is what he or she said: The internal auditors sent in are mostly still fresh – without any experience whatsoever. The NAD is 'smart', for they do not want to send in those with experience of internal audit since they themselves need the experienced officers to conduct external audit. Those sent in to internal audit units are there to learn stuff while working.... Once I raised this issue at a meeting in the NAD. That is, the head [of audit unit] should never be a fresh face but somebody with at least 5 years work experience as auditor. The new face will only bring down the NAD's reputation.

It may be safely concluded that cadre posts in internal audit units, as far as the NAD is concerned, appear to be their preferred method of training staff. But this has however led to the staff competency problem in the internal audit units. For some auditors this is quite distressful. One who reacted quite angrily to the practice of the NAD and did not mince his or her words when blaming the NAD for keeping his or her audit unit from implementing changes over the years had this to say:

In any case the NAD is treating the internal audit units as strangers... But it needs to remember that it has many cadre in the internal audit units... I mention it this way because it should not wait to make improvement just when ministries are about to start to appoint their own internal auditors since this will affect the NAD officers career-wise. What makes me so disappointed is that the NAD sent in three fresh internal audit assistants to the audit unit. What can I do? I am not in the position to give consultation to them. I myself do not have the experience in financial management audit.

However, in the final analysis, coming from a number of interviews, many auditors have resigned themselves to the fate of perpetually

having to train personnel sent from the NAD and who will return there once competent. These auditors seem to be devoid of hope that the situation will change any time soon.

Aside from those responding helplessly to the actions of the NAD, and the one above who reacted with anger, and a warning to the NAD to get its act together, there is one notable case of an auditor who does not blame the NAD exclusively for the staff competency problems it is facing. In the open-ended part of the interview, while describing the main problems confronted by the audit unit, he or she said:

The first problem is concerned with the arrival of new personnel who are lacking in training, experience and familiarity with the operation of the organization. Next, in answering the question of the fundamental reason leading to such a situation, he or she said: It is because of the lack of coordination between the Public Service Department, NAD and the organization itself, that results in the appointment of personnel who can not really fulfill the needs of the internal audit unit.

If there is indeed the desire to achieve a meaningful audit practice in the government organizations, perhaps the way to go is to have the organizations themselves, with the support of the PSD, to hire a good number of qualified people from outside, and to pay them appropriately. There is no real need to have the NAD involved in the staffing of the audit units. But in case the idea of the PSD working together with the top management of the government organization is beyond current audit units' wildest dreams, there is an alternative suggestion provided by an auditor: the BNPK in the Treasury could perform the function of recruiting internal auditors to be placed in the audit units across the government sector. If that should take place, one could reasonably hope that the depressing account that follows should not recur – ever!

According to this auditor, all the personnel in the internal audit unit come from outside the organization. In addition the staff complement is minimal (fewer than five and needs to be increased to over 20 in order to carry out the audits) and these auditors possess qualifications and experiences which are not relevant to this particular audit operation. As a result, they have failed to be effective in their jobs, and the audit head has had to spend a great deal of time in providing explanations and guidance before they can complete the tasks on hand.

But is the BNPK ready for such duty? In all likelihood the answer is in the negative. See next.

The Inadequate BNPK?

Auditors from more than four fifths or 32 of the organizations support the idea that BNPK should be given more power and authority for system development, administration and coordination, and to conduct periodic quality assurance or practice inspections. Nonetheless, auditors are confused about the role currently performed by the BNPK.

The following is a sample of comments coming from auditors who were supportive of the idea of expanding the BNPK's power *and* who had nothing critical to say about the BNPK: The BNPK should be given more power in order for the procedure and policy implementation to take place in a more effective manner. It is needed to ensure that internal audit is administered better and is more effective.

At the very least, there will be uniformity in internal audit units across the government sector; thus, it would leave no audit units behind. The NAD is merely around periodically. It is notable that there are others who were just as supportive of the proposal – but who were quite critical of the BNPK just the same! Four auditors provide the good examples:

The first auditor: They have the power, but they fail to do anything with it. They are supposed to produce audit guidelines. The second auditor: There are so many things that should have been done for internal audit. At one point, it initiated the work to produce guidelines. It needs to keep in touch with internal audit. But now what is happening is that the contact takes place a mere once per year. The BNPK has failed to get to the bottom of the problems faced by internal audit. At the beginning of the year it asks for the audit plan; at the end of the year, it asks for the audit report – but there is no feedback. I think there is a lot more which it can do especially in audit training.

The third auditor: The BNPK as a 'central body' needs to issue standards or to conduct the monitoring so that everyone will do the same and have the same 'bench mark'. It is notable that the auditor subsequently said that the BNPK is only interested in getting the

annual internal audit reports from the internal audit units. No feedback is provided to the units once the submission has been made.

The fourth auditor: In regard to the administrative side, it is hoped the Treasury will play an important role over training, staffing numbers and in ensuring effectiveness in the monitoring of internal audit. Elsewhere in the interview, he or she also mentioned the followings on what appears to be the failures of the BNPK:

On training:

It asks us instead as to which courses that we want them to handle.

On monitoring:

From the aspect of monitoring, it is not that good. It gets the annual audit report. That is all it wants.

Finally, it is perhaps worth noting that there are also auditors whose views are neither critical of the BNPK nor conciliatory to the body for its current inadequacies. As examples from the interviews show, in response to the question of extending BNKP's power, one auditor responded "Agree" and the second, "Uncertain". Next, each had the following to say:

The first auditor: The BNPK should act as the coordinator for the internal audit units and be like the NAD. What is happening now is that the BNPK is merely providing courses and training and channeling information to the internal audit units. It is not involved in examining the reports issued by the internal audit units.

The second auditor: I can see that the BNPK is already doing its job on training and coordination. The question now is whether the BNPK should be given additional power over the placement of internal audit officers. This matter is related to the capability of the National Audit Department because as far as internal auditor appointment is concerned it is the National Audit Department which is playing the role. The BNPK has no authority in appointing or moving the internal auditors around.

In the final analysis, other than the NAD with its self-serving policy for staffing of internal audit units or departments, there is one other very disturbing problem which undermines the hope for a better future for internal audit in the government organizations. It concerns the BNPK. From the interviews it appears that some audit units or departments do not get much help from the BNPK in the fulfillment of

their roles. As a result, this has led to a lack of uniformity in the audit practice in the public sector. The importance of uniformity in audit practice is stressed by several auditors in the open-ended section of their interviews.

As an example, related to the question on the direction to be taken by internal audit in the future, an auditor said that there is a need for uniformity among all audit units in the ministries and departments. This standardization needs to take place in financial audit, performance audit and ICT audit. Another mentioned the following on the state of current audit practice in the public sector:

There is improvement but there is still a lot of room for improvement. For example, [there is] no standardization in audit structure across the government entities, no standardized manual and so many other cases of the lack of standardization in audit practice in the government sector.

With no audit standardization in the public sector due to the failure of the BNPK to provide much assistance to audit units under its supervision, there is thus no surprise in finding that out of 40 organizations covered in the study, auditors from a mere five have mentioned the fact that the BNPK acts as their monitoring entity! With no monitoring from BNPK for the majority audit units, what can really one expect from the internal auditors in the public sector and for that matter from those around them who play critical role in ensuring auditors reaching their potential? It seems the answer is “very little”. The next section tries to make sense why “very little expectation” is perhaps the intention of those who are in the position to make a difference in the internal audit operation in the Malaysian public sector.

CONCLUSIONS

For audit of any kind to be successful in achieving its potential, it needs to operate in an environment where transparency and public accountability are normal occurrences. Azham (1999) has made that painfully clear in regard to the practice of external auditing. The same may be inferred for internal auditing in the public sector in Malaysia. Unfortunately, Malaysia today is still far away from this manner

of existence. This is reflected by the fact that in the Transparency International Corruption Perception Index 2006 (*New Straits Times*, 2006) Malaysia ranks 44th (down from the 39th position it occupied in 2005) among 163 countries. With a score of five on a 10 point scale, where 10 denotes 'clean' and one denotes 'highly corrupt', Malaysia occupies the 10th spot among 25 economies in the Asia Pacific region.

Though the index is not an assessment of actual corruption in any country, but is an appraisal of the extent of corruption perceived by businessmen and other groups, it may be deduced that such perception is largely based on first hand experiences of many parties on the ground. Malaysia's score for the last decade has hovered around five, indicating a borderline serious corruption problem. That said, compared to other countries which are ranked higher, corruption may be argued to be endemic in Malaysia. This is perhaps due largely to the social and political environment, where transparent transactions are not commonplace, and where social status and political affiliation can easily protect one from being promptly charged and successfully prosecuted.

That this is part and parcel of Malaysian life was made clear in an interview given by Tunku Abdul Aziz Tunku Ibrahim to the *New Sunday Times* (2004). At that time he was the executive president of the Malaysian chapter of Transparency International, and in 1995 had set up the Kuala Lumpur Society for Transparency and Integrity. In response to the question as to whether he was happy with what had been done to curb corruption within the country, he responded: "I feel our country can do better." Earlier in the interview he remarked that "... the perception still is that we are not serious about curbing corruption."

That there is a lack of transparency and public accountability in the public sector in particular was substantiated during a presentation made at the Universiti Utara Malaysia by Zakaria Haji Mohammad Nor, the then NAD's Audit Director in the state of Kedah. Zakaria (2004) mentioned various problems and challenges that he and his colleagues from the NAD had had to face in trying to improve accountability in the public sector. A number of these arose because of the lack of accountability of the heads of these public organizations including failure to attend exit conference, failure to respond to

audit observations and failure to take appropriate actions upon cases reported.

Within such a national and public sector environment, it should not be any surprise that internal audit in the federal government organizations has been found to have a lot of room for improvement. The two areas that need urgent attention are the staff numbers in audit units, and the competency of the audit personnel. There can never be any justification for having an understaffed audit unit unable to provide appropriate audit coverage, when the organizational budget reaches hundreds of million of ringgit per year and the organization maintains a workforce of tens of thousands. There can also be no justification for expecting these few auditors to conduct any meaningful audit since they are largely undertrained and without appropriate work experience, which renders them incompetent to perform the job in the first place. This does however raise the perverse notion that this might be the exact intention of "vested interests" from both inside and outside the organizations, so that by ensuring that these government organizations have insufficient and incompetent auditors they might better succeed at their clandestine endeavours!

Theoretically, the conduct of those in power can be explained using the Politics of Accountability theory. According to this theory, political representatives, appointed officials, administrators and workers have good reasons to resist attempts to expose their work to scrutiny. As stated by Schwartz and Sulitzeanu-Kenan (2002), their interests in organizational stability, budget maximization and the promotion of favorable image, contribute to a general desire to oppose accountability mechanisms such as internal audit, which might uncover deficiencies in their work. Thus, in Malaysia, within a good percentage of the federal organizations, the internal auditors are not able to function well as a result of the acute shortage of personnel, and because these few personnel lack competency in several areas.

Furthermore, in some parts of the world, and perhaps in Malaysia itself, in a section of the private sector involving the big listed companies, the internal auditors have moved towards risk-based auditing. But here in a good number of federal organizations whose budget expenditures easily reach billions of ringgit per year, their internal auditors are still stuck with financial management audit!

All in all, it may safely be concluded that it is not a serious priority of senior management in the organizations the internal auditors operate in, nor the external organizations they use and report to, to make the most of the internal audit function for their own and the national benefit. This is evidenced by the fact that the BNPK failing to be the rightful internal audit coordinator, trainer and monitor, that the NAD exploits the internal audit units, viewing them as mere training grounds for its personnel and that the PSD fails to see the importance of hiring an appropriate number of suitably qualified people for the audit units. But above all those at the very top of government administration fail to see the importance of having internal auditors able to meet their potential in the public sector!

Now that the important features of the internal audit operation in the federal organizations has been identified and in view of the internal audit function being an important monitoring function in an organization, it would be highly informative if similar studies were to be conducted for other organizations in the country. Perhaps by doing so, problems and challenges faced by the audit function as a whole, would be identified, thus enabling corrective efforts to be undertaken next. Other organizations which might be studied include the rest of the federal government's statutory bodies, government-linked companies (GLCs), companies listed on Bursa Malaysia, and the nation's cooperatives. Such studies should also perhaps consider the possibility of having the senior officials and departmental heads be given the opportunity to participate. Their views, when compared with those of the internal auditors (who almost always perceive themselves as the victims), should give additional insight into the challenges facing internal audit departments.

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APPENDIX 1

List Of Federal Government Organizations

MINISTRY	DEPARTMENT
Prime Minister's Department	Public Service Department of Malaysia
Ministry of Energy, Water & Communications	Immigration Department of Malaysia
Ministry of Youth & Sports	Royal Customs and Exercise Department Malaysia
Ministry of Home Affairs	Department of Islamic Development
Ministry of Domestic Trade & Consumer Affairs	Attorney General's Chambers of Malaysia
Ministry of Rural & Regional Development	National Registration Department of Malaysia
Ministry of Works	Prisons Department of Malaysia
Ministry of Health	Department of Statistics Malaysia
Ministry of Foreign Affairs	National Library of Malaysia
Ministry of Education	
Ministry of Tourism	AGENCY
Ministry of Entrepreneur & Co-operative Development	
Ministry of Information	Central Bank of Malaysia
Ministry of Transport	The Inland Revenue Board of Malaysia
Ministry of International Trade & Industry	Armed Forces Fund Board
Ministry of Defence	Pilgrims Fund Board of Malaysia
Ministry of Agriculture & Agro-Based Industry	Putrajaya Holdings
Ministry of Housing and Local Government	Treasury Malaysia

Ministry of Plantation Industries & Commodities	Implementation Coordination Unit
Ministry of Science, Technology & Innovations	Kuala Lumpur City Hall
Ministry of Natural Resources & Environment	Bank Simpanan Nasional
Ministry of Human Resources	

APPENDIX 2

List of positions of interview participants

POSITION	TOTAL
Internal Auditor	3
Senior Internal Auditor	1
Audit Head	1
Internal Audit Head	10
Head of Internal Audit Department	1
Head of Internal Audit Unit	9
Head of Internal Auditing Unit	1
Director	1
Audit Director	1
Internal Audit Director	1
Director of Audit and Compliance Department	1
Director of Department of Inspectorate	1
Audit Assistant	1
Assistant to the Internal Audit Head	1
Assistant to the Registration Officer	1
Assistant to the Officer in Charge	1
Assistant to the Head of Internal Audit 1	1
Secretary to the Internal Audit Section	1
Secretary to the Internal Audit & General Investigation Section	1
Deputy Head of Internal Audit	1
Deputy Head of Internal Audit Unit	1
Total	40