

THE FIFTH INTOSAI WORKING GROUP ON SDGS AND KSDI MEETING



NATIONAL EXPERIENCE IN SDG AND ESG AUDITING

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SAI MALAYSIA



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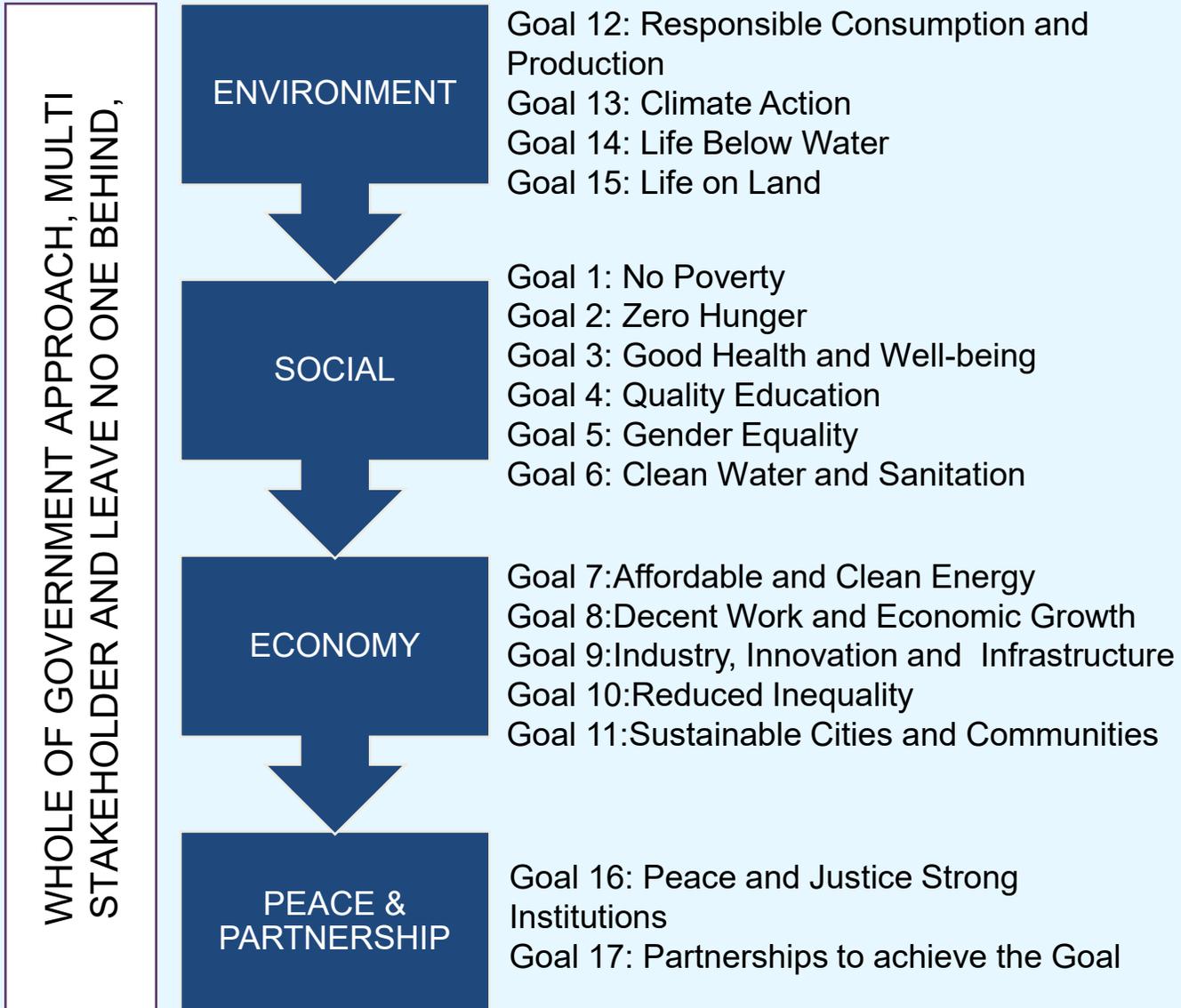
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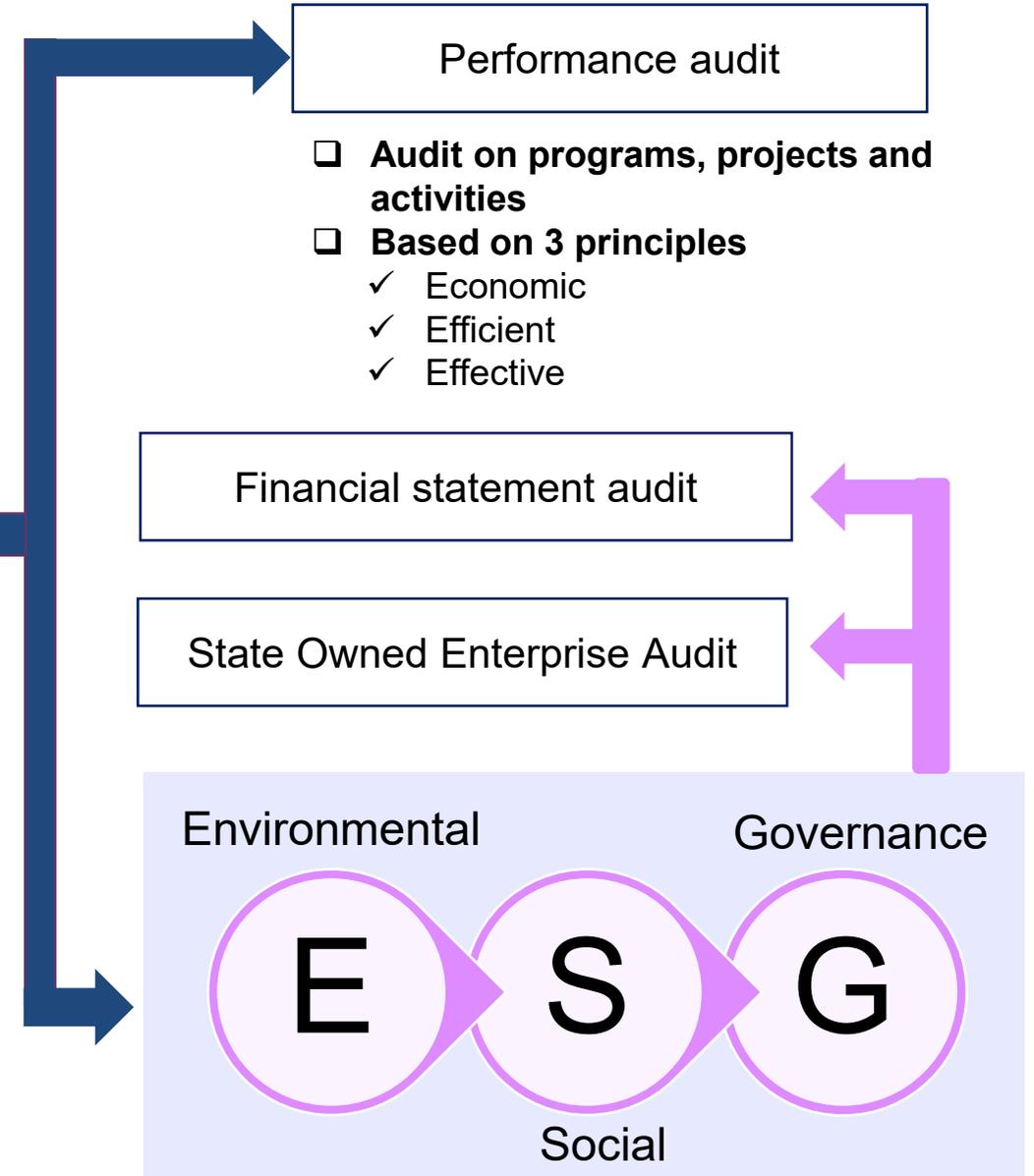
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INTRODUCTION

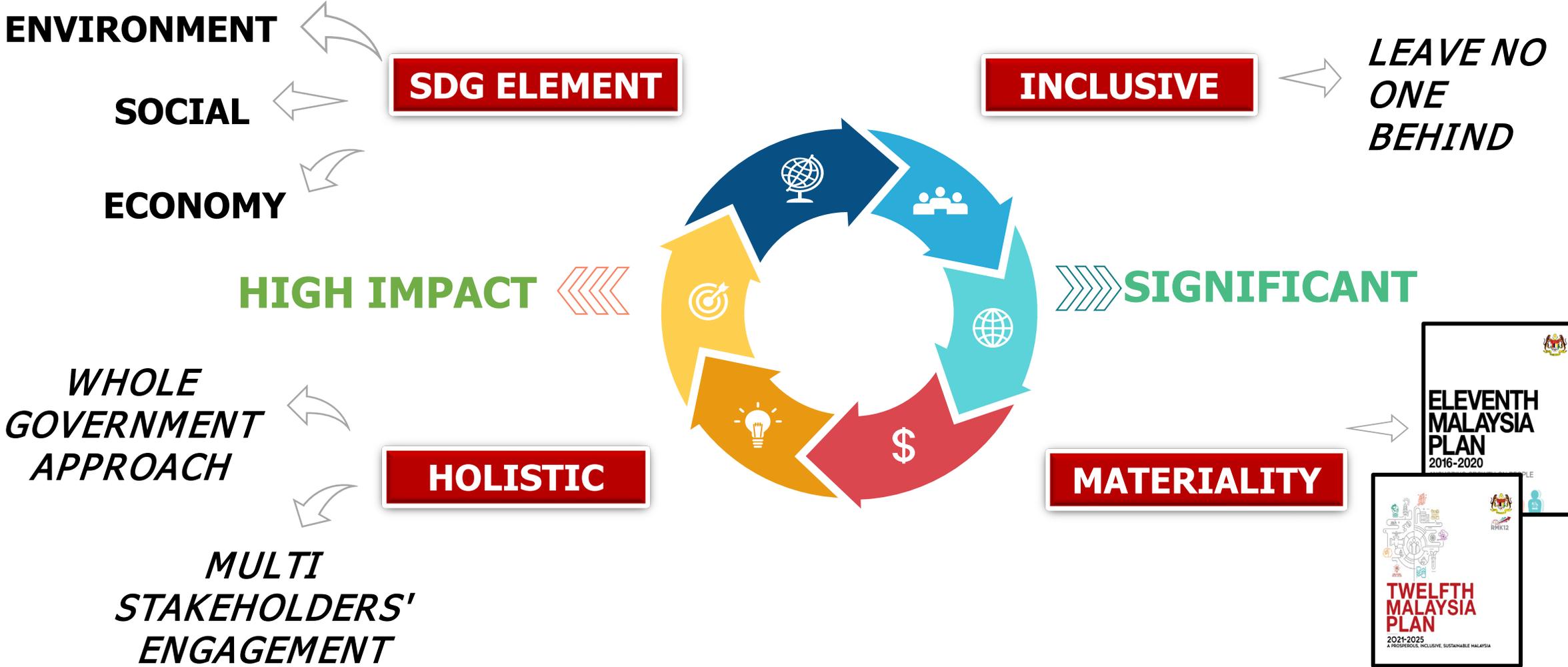
SUSTAINABLE DEVELOPMENT GOALS (SDGs)



TYPES OF AUDIT



PERFORMANCE AUDIT



AUDITOR GENERAL'S REPORT (PERFORMANCE AUDIT)

YEAR	TOPICS	SDG
2022	Sustainability of Public Land Transportation In The Klang Valley	  
2022	Forest Management and Environmental Impact	 
2022	Marine Protected Area Conservation Program Management	 
2022	Management of Upgrades and Redevelopment of Dilapidated Building In School	
2021	Urban Poverty Eradication Program Management	 
2021	Management of The Covid-19 Outbreak	

STATE OWNED ENTERPRISE (SOE) AUDIT

- The objective of establishing an SOE indirectly focuses on the sustainability of the company by incorporating social elements for stakeholders.
- SOE audit conducted by SAI Malaysia focus on these three following aspects:
 - Activity management - includes the impact of companies' activities on environment
 - Corporate governance - evaluation on the compliance to Malaysian Code on Corporate Governance
 - Financial position of the company
- The audit also incorporate the concept of multi-stakeholders' engagement as well as the impact of the companies' activities on the environment.

AUDITOR GENERAL'S REPORT 2022 (SOE AUDIT)

NO.	TOPICS	AREA OF AUDIT
1.	Malaysia Debt Ventures Berhad	Financing facilities to companies related to technologies
2.	CSB Land Sdn. Bhd.	Mixed development of Laman View Project, Cyberjaya
3.	Kwasa Land Sdn. Bhd.	Development of Kwasa Damansara
4.	KETENGAH Holding Sdn. Bhd.	Investment holding company (farming and quarrying activities)
5.	UiTM Holdings Sdn. Bhd.	Investment holding company (energy and hospitality activities)

SHARING AUDIT CASES - UITM HOLDINGS SDN. BHD

MULTI STAKEHOLDERS' ENGAGEMENT

- Engagement with federal & state government, local council and private entities to get a broader picture on the topic.
- Among the stakeholders' engaged are as follows:
 - ✓ Ministry of Finance
 - ✓ Pahang Land and Mines Office
 - ✓ Malaysia Rail Link Sdn. Bhd

GOVERNANCE

9 elements evaluated :

- | | |
|------------------------|--------------------------|
| ▪ Chairman | ▪ Company Secretary |
| ▪ Group CEO | ▪ Audit & Risk Committee |
| ▪ SOP | ▪ Internal Audit |
| ▪ Strategic Plan & KPI | ▪ Remuneration & |
| ▪ Board of Director | ▪ Nomination Committee |

ACTIVITY MANAGEMENT - IMPACT ON ENVIRONMENT



UiTM Solar Park I Project

Soil erosion forming pathways and water retention

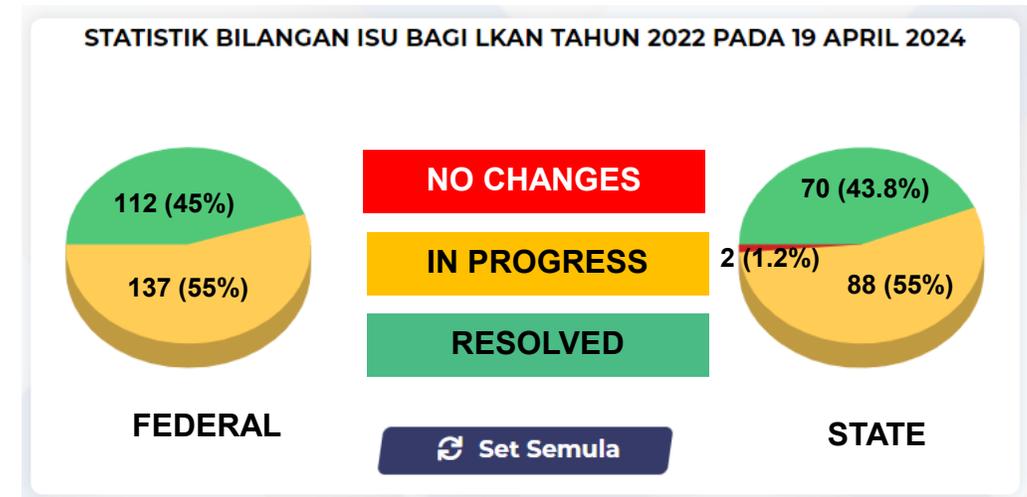
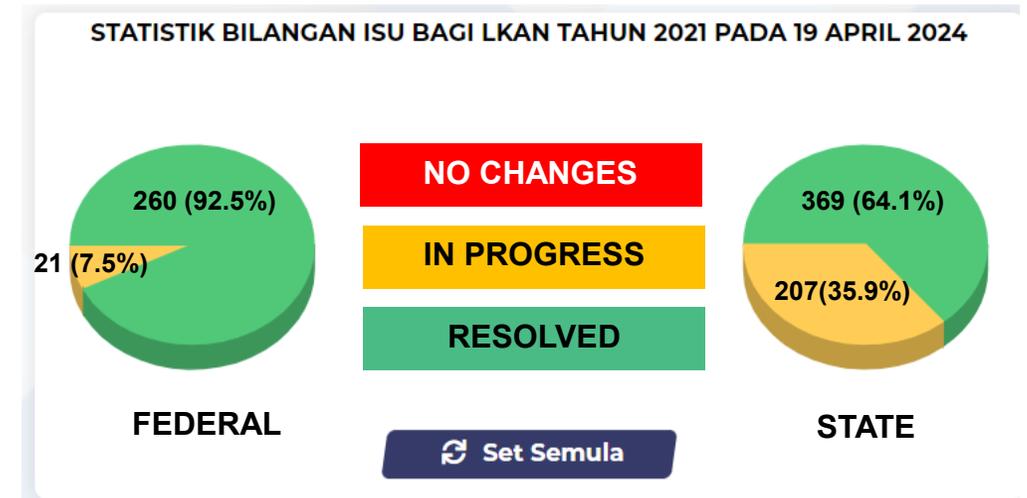


UiTM Solar Park I Project

Exposed cables due to soil erosion

FOLLOW UP AUDIT

- Purpose of follow-up audit:
 - Enhancing effectiveness of audit reports
 - Assess the action taken by Auditees to resolve audit issues.
 - Assisting the government and legislature particularly to implement better policies and programs based on audit findings and recommendations.
 - Creating opportunities for learning and development.
- All the findings raised in performance and SOE Audit will be registered in the Auditor General's Dashboard (AGD)
- Each findings will be classified into 3 traffic light color according to the status.



CHALLENGES OF SDG & ESG AUDITING IN MALAYSIA

- Incomplete data to measure the achievement of the related project/activity/programme;
- Auditors need to be able to effectively evaluate complex governance issues, assess institutional mechanisms, consider the interlinkages between sectors, institutions and policies.
- Less awareness and exposure on the links of SDGs in the National Agenda among auditors, government employees, stakeholders and public also affect the SDG audit process.

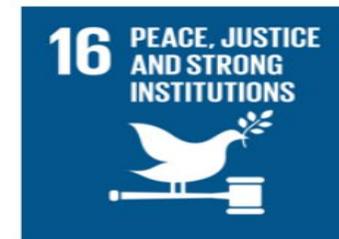
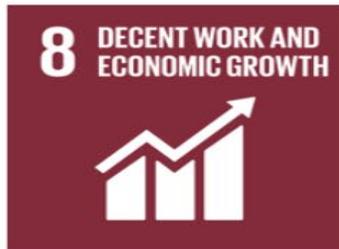
HOW DO WE OVERCOME THOSE CHALLENGES?

- Training at the international level, exposed them to domestic and international courses/seminars/Training of Trainers (TOT) to give the background knowledge, skills and practical experience.
- Establishing subject matter experts on SDGs
- Establishing SAI Malaysia Digital Audit Initiative



WAY FORWARD

THEMATIC AUDITING - FOOD SECURITY & CLIMATE CHANGE



SDGs ENGAGEMENT SESSION

Ministry of Economy
13st March 2024



Non-Governmental Organization
14th March 2024



UNDP Malaysia
27th March 2024





THANK YOU