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Act 62

AUDIT ACT 1957

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AUDIT ACT 1957

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LAWS OF MALAYSIA

Act 62

AUDIT ACT 1957

ARRANGEMENT OF SECTIONS

LAWS OF MALAYSIA

Act 62

AUDIT ACT 1957

An Act to make provision for the audit of the accounts of the Federation, of the States and of certain other authorities and specified bodies.

[*Peninsular Malaysia—31 August 1957,*
Ord. No. 60 of 1957;
Sabah and Sarawak—16 September 1963,
L.N. 348/1963]

Short title

1. (1) *(a)* This Act may be cited as the Audit Act 1957.

(b)–(c) *(Omitted)*.

(2) This Act shall apply to the audit of the accounts of the Federation, of the States and of such other public authorities and specified bodies as are subject to audit by the Auditor General.

Interpretation

2. (1) Words and expressions used in this Act shall, unless the context otherwise requires or it is herein otherwise expressly provided, have the meaning assigned to them in the Financial Procedure Act 1957 [*Act 61*].

(2) Notwithstanding subsection 1(2), in its application to this Act, the expression "public moneys" shall include moneys received by or on account of any public authority established under Federal or State law and the expression "public stores" shall include chattels the property of or in the possession or under the control of any such authority.

062e .fm Page 6 Friday, March 31, 2006 3:58 PM

Terms and conditions of service of Auditor General

***3.** The Auditor General (otherwise known as "Ketua Audit Negara") shall be deemed to be an officer of the general public service of the Federation and, save as is otherwise provided in the Federal Constitution and under this Act, the law for the time being in force relating to the public service of the Federation and to members thereof shall apply to him.

Remuneration of Auditor General

4. (1) The remuneration of the Auditor General shall be as specified under the First and Second Schedules.

(2) The expression "remuneration" in this Act shall have the meaning assigned to that expression in Article 160(2) of the Federal Constitution.

(3) All payments made under the First and Second Schedules shall be charged on the Consolidated Fund.

Duties of Auditor General

5. (1) The Auditor General shall in such manner as he may deem fit examine, enquire into and audit—

(a) the accounts of accounting officers of the Federation and of the States;

(b) the accounts of any separate fund established in a State or the Federal Territory under Article 97(3) of the Federal Constitution notwithstanding any law to the contrary;

(c) the accounts of any other public authority or body if it is so provided by law in any case; and, where it is not so provided, at the request of that authority or body and with the consent of the Minister of Finance to be notified in the *Gazette*;

(d) the accounts of any other body, including a company registered under the Companies Act 1965 [*Act 125*], in

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**NOTE*—Any reference in any written law to "Juru Audit Negara" shall be construed as a reference to "Ketua Audit Negara"—*see* subsection 4(2) of Act A430.

receipt of a grant or loan from the Federation or a State, and including also a company where more than half it paid-up share capital is held by the Federation, a State or a public authority or is so held in the aggregate by two or more of them:

Provided that the Yang di-Pertuan Agong so specifies by order under Article 106(2) of the Federal Constitution and notwithstanding any law relating to the audit of the accounts of any such body;

(e) (*Deleted by Act A558*);

(f) the accounts of any other public authority if the Minister of Finance is satisfied that the public interest requires that the accounts of the authority shall be examined, inquired into and audited by the Auditor General notwithstanding any law relating to the accounts and audit of any such authority:

Provided that the Minister shall not cause the accounts of any such authority exercising powers vested in it by State law to be so examined, inquired into and audited unless he shall first have consulted the Menteri Besar or Chief Minister of that State.

(2) The fee for the audit of the accounts in paragraphs (1)*(b)*, *(c)* and *(d)* shall be determined in every case by the Treasury in consultation with the Auditor General and such fee shall be a charge on the fund of the authority or body concerned.

(3) No fee shall be payable for an audit required in accordance with paragraph (1)*(f)*.

Nature of audit

6. The Auditor General shall in his audit make such examination as he may deem necessary to ascertain—

(a) whether all reasonable precautions have been taken to safeguard the collection and custody of public moneys or other moneys subject to his audit;

(b) whether issues and payments of moneys subject to his audit were made in accordance with proper authority and payments were properly chargeable and are supported by sufficient vouchers or proof of payment;

(ba) whether due care has been taken to account for and to ensure proper use, control, maintenance and disposal of all public stores or other stores subject to his audit;

(c) whether all accounts and other records have been and are properly and faithfully maintained;

(d) whether in his opinion moneys have been applied to the purposes for which they were appropriated or authorized and the activities related to such purposes were carried out or managed in an efficient manner with due regard for economy and the avoidance of waste or extravagance; and

(e) whether the provisions of the Federal Constitution and of the Financial Procedure Act 1957, and any other written law relating to moneys or stores subject to his audit have been in all respects complied with.

Powers of the Auditor General

7. (1) In the performance of his functions under the Federal Constitution or this Act the Auditor General—

(a) may call upon any person for any explanations and information which the Auditor General may require in order to enable him to discharge his duties;

(b) may, without payment of any fee, cause search to be made in and extracts to be taken from any book, document or record in any public office;

(c) shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or other property subject to his audit;

(d) may examine upon oath or affirmation (which oath or affirmation the Auditor General is hereby empowered to administer) any person whom he may think fit to examine respecting all matters and things whatever necessary for the due performance of his functions;

(e) may authorize any public officer on his behalf to conduct any inquiry, examination or audit and to report thereon to him; and

(f) may obtain the advice of a law officer upon any question of law.

(2) Any of the powers conferred by this section upon the Auditor General may be exercised by a public officer authorized by the Auditor General in writing to exercise the power on his behalf.

(3) The Auditor General may authorize any person he deems competent to conduct on his behalf and under his direction any inquiry, examination or audit and to report his findings thereof to him and for that purpose may make arrangement for the payment of any fee with the agreement of the Treasury and the parties concerned and any of the powers conferred by paragraphs (1)*(a)*, *(b)*, *(c)* and *(d)* upon the Auditor General may be exercised by such person if he is authorized by the Auditor General in writing to exercise the power on his behalf.

(4) Every person called upon for any explanations or information pursuant to paragraphs (1)*(a)* and *(d)* shall be legally bound to furnish such explanations or information.

Secrecy

8. (1) The operation of section 7 shall not be limited by any provision (including a provision relating to secrecy) contained in any other law except to the extent to which any such other law expressly excludes the operation of that section.

(2) Notwithstanding anything contained in any other law and notwithstanding the making of an oath or declaration of secrecy a person shall not be guilty of an offence by reason of anything done by him for the purposes of section 7.

(3) Neither the Auditor General nor any other person shall divulge or communicate, except in the course of duty to another person performing duties under this Act, any information which has come to his knowledge directly or indirectly in accordance with section 7 in any case in which the person from whom the information has been obtained or from whose custody accounts, books, documents or papers from which the information was derived were produced could not, but for this Act, lawfully have divulged that information to the Auditor General or that other person.

(4) Subsection (3) shall not prevent the making, divulging or communicating in any report of the Auditor General of

conclusions, observations or recommendations which are based on information obtained in accordance with section 7.

Audit reports

9. (1) The Minister or the Menteri Besar or Chief Minister of a State shall, as soon as a statement required under section 16 of the Financial Procedure Act 1957, has been prepared, transmit the statement to the Auditor General who shall forthwith cause the statement to be examined and audited and prepare his report thereon.

(2) In the event of any such statement not being received within a period of seven months after the close of the financial year to which it relates, the Auditor General shall submit a report to that effect to the Yang di-Pertuan Agong who shall cause it to be laid before the Dewan Rakyat at its next meeting, and in the case of a report relating to a statement due from the Menteri Besar or Chief Minister of a State, the Auditor General shall, before submitting the report to the Yang di-Pertuan Agong, submit a copy thereof to the Ruler or Yang di-Pertua Negeri of that State who shall cause it to be laid before the Legislative Assembly at its next meeting.

(3) A copy of every report relating to the accounts of the Federation prepared in accordance with subsection (1) shall be transmitted by the Auditor General to the Minister who, if the Dewan Rakyat be not then sitting, shall cause the statement and report to be published.

(4) If at any time it appears to the Auditor General that any serious irregularities have occurred in the accounting or custody of public moneys or public stores under his audit, he shall immediately bring the matter to the notice of the Secretary General to the Treasury and, in the case of moneys or stores of a State or a public authority, to the notice also of the State financial authority or the head of that public authority.

(5) The Auditor General may in any report submitted in accordance with Article 107(1) of the Federal Constitution or otherwise make recommendations and may generally comment upon all matters relating to public accounts, public moneys and stores.

(6) The Auditor General shall submit a certificate and observations on the accounts of any separate fund established in the Federal Territory or a State under Article 97(3) of the Federal Constitution to the Yang di-Pertuan Agong in the case of Federal Territory or the Ruler or Yang di-Pertua Negeri of the State or to such other authority as may be provided by Federal or State law.

(7) Unless it is otherwise required by law or by direction of the Minister, where the Auditor General audits the accounts of any other authority or body he shall present his certificate and observations upon those accounts to the head of that authority or body and a copy thereof to the Minister or Menteri Besar or Chief Minister responsible for that authority or body, and the Auditor General may, at any time before presenting such certificate and observation, bring to the notice of the head of the authority or body or the Minister or Menteri Besar or Chief Minister responsible for that authority or body any matter which in his opinion requires immediate attention.

(8) Notwithstanding the provisions of this section, the Auditor General may at any time submit a report to the Yang di-Pertuan Agong upon any matters arising out of the performance of any of his duties or the exercise of any of his powers under this Act or under any written law, and may submit a copy of any such report to the Ruler or Yang di-Pertua Negeri of a State or to a Minister.

Regulations

10. (1) The Minister may, after consulting the National Finance Council, make such regulations not inconsistent with this Act as are necessary for the purposes of the Act.

(2) All regulations made under this section shall be laid before the Dewan Rakyat at the next meeting after their making.

Power to amend Schedule

11. The Yang di-Pertuan Agong may by order published in the *Gazette* amend the provisions of the Schedules.

FIRST SCHEDULE

[Section 4]

Remuneration of Auditor General

1. (1) Where the Auditor General is appointed from amongst the members of any of the public services, his remuneration shall, subject to Article 105(5) of the Federal Constitution, consist of a pensionable salary of eleven thousand five hundred and forty-four ringgit and fifty sen per month and of such allowances and privileges as are payable or granted to him under the Second Schedule.

(2) Where a person who is not a member of any of the public services is appointed as Auditor General, his remuneration which shall not be pensionable shall, subject to Article 105(5) of the Federal Constitution, consist of a salary of eleven thousand five hundred and forty-four ringgit and fifty sen per month and of such allowances and privileges as are payable or granted to him under the Second Schedule. In addition thereto, he may be granted such benefits on cessation of office as may be determined by the Yang di-Pertuan Agong by order in the *Gazette* upon his appointment as Auditor General.

(3) Any order made under subparagraph (2) shall be laid before each House of Parliament as soon as may be after it is made.

Pension, gratuity or other benefits for person ceasing to hold office as Auditor General in certain circumstances

2. Where a person ceases to hold office as Auditor General—

(a) in the case of a person referred to in paragraph 1(1), before attaining the age of optional or compulsory retirement; or

(b) in the case of a person referred to in paragraph 1(2), before the expiry of his term of office as Auditor General,

on the ground of inability, from infirmity of body or mind or any other cause, properly to discharge the functions of his office, he shall be entitled—

(i) in the case of a person referred to in paragraph 1(1), to such pension or gratuity or both; or

(ii) in the case of a person referred to in paragraph 1(2), to such benefits on cessation of office,

as may be appropriate to his case.

SECOND SCHEDULE

[Section 4]

1. *Accommodation:*

Such accommodation, or in lieu thereof housing allowance, and such other allowance as provided by Government from time to time to an officer drawing an equivalent salary in the public service.

2. *Entertainment Allowance:*

Such entertainment allowance as is payable to an officer drawing an equivalent salary in the public service, as revised from time to time.

3. *Official Car:*

A staff car as provided by Government to an officer drawing an equivalent salary in the public service. Maintenance of the car shall be borne by Government.

4. *Allowances, Contributions and Perquisites for Personal (Private) Employees:*

Such allowances, contributions and perquisites towards the employment of two servants and a driver and at such rates as are paid or provided for by Government from time to time to an officer drawing an equivalent salary in the public service.

5. *Subsistence and Lodging Allowances:*

Such subsistence and lodging allowances as are payable to an officer drawing an equivalent salary in the public service, as revised from time to time.

6. *Advance to Purchase a Motor Car:*

The car loan scheme for an officer drawing an equivalent salary in the public service, as revised from time to time.

7. *Ceremonial Costume:*

Such allowance as approved by Government from time to time for an officer drawing an equivalent salary in the public service.

8. *Medical Facilities:*

The medical facilities, benefits and other privileges as are provided by Government from time to time to an officer drawing an equivalent salary in the public service.

9. *Leave:*

Vacation, medical and other leave approved by Government from time to time as are specified for an officer drawing an equivalent salary in the public service.

10. *Payment in Lieu of Leave:*

Accumulation of vacation leave and eligibility for a cash award in lieu thereof or entitlement to convert such leave as reckonable service in computing pension and gratuity as provided for by Government from time to time in respect of an officer in the public service drawing an equivalent salary.

11. *Death and Injury Benefits:*

Eligibility for such death and injury benefits as are provided by Government from time to time in respect of an officer drawing an equivalent salary in the public service.

12. *Housing Loan Scheme:*

The housing loan scheme applicable to an officer drawing an equivalent salary in the public service, as revised from time to time.

13. *Electricity and Water:*

Reimbursement of payment made for the supply of electricity and water to the house occupied by the Auditor General.

14. *Travel:*

(a) Rates and allowances for travel on official duty within and outside Malaysia shall be as provided and specified by Government from time to time for an officer drawing an equivalent salary in the public service.

(b) Once in every five years of his service, the Auditor General shall be eligible to have passage paid by Government for overseas travel to a destination of his choice for himself, his wife and three of his dependent children below twenty-one years of age. The fare for such travel shall not exceed the equivalent return fare for travel by air from Kuala Lumpur to London by first class for the Auditor General and his wife and by economy class for any or all of the three accompanying dependent children.

15. *Other Privileges, Benefits and Allowances:*

Such other privileges, benefits and allowances for which no specific provision is made under this Schedule but which are prescribed or payable by Government from time to time to an officer drawing an equivalent salary in the public service.

LAWS OF MALAYSIA

Act 62

AUDIT ACT 1957

LIST OF AMENDMENTS

Amending law	Short title	In force from
L.N. 348/1963	Modification of Laws (Financial Procedure and Audit) (Extension) Order 1963	16-09-1963
P.U.(A)57/1971	Emergency (Essential Powers) Ordinance No. 72, 1971	01-01-1970
Act A64	Audit (Amendment) Act 1971	31-08-1971
Act A430	Audit (Amendment) Act 1978	03-03-1978
Act A514	Constitution (Amendment) Act 1981	15-05-1981
Act A558	Audit (Amendment) Act 1983	01-07-1980 - s. 4, 5, 9; 01-01-1981 - s. 2, 3, 6, 7, 8
Act A795	Audit (Amendment) Act 1991	01-10-1988
P.U.(A)364/1991	Audit (Amendment of First Schedule) Order 1991	01-01-1991
P.U.(A)78/1992	Audit (Amendment of First Schedule) Order 1992	p. 2(1)- 01-01-1989; p. 3(1)- 01-01-1992
P.U.(A)33/1998	Audit (Amendment of First Schedule) Order 1998	01-01-1995
P.U.(A)377/2000	Revision of Law (Rectification of Audit Act 1957) Order 2000	31-08-1999
P.U.(A)406/2000	Audit (Amendment of First Schedule) Order 2000	01-01-2000

Amending law	Short title	In force from
P.U.(A)227/2002	Audit (Amendment of First Schedule) Order 2002	01-01-2002
P.U.(A)178/2003	Audit (Amendment of First Schedule) Order 2002	01-01-2003

LAWS OF MALAYSIA

Act 62

AUDIT ACT 1957

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
Long title	Act A430	03-03-1978
1	Act A558	01-01-1981
2	Act A430	03-03-1978
	Act A558	01-01-1981
3	Act A430	03-03-1978
	Act A558	01-07-1980
4	Act A430	03-03-1978
	Act A558	01-07-1980
5	Act A430	03-03-1978
	Act A558	01-01-1981
6	Act A430	03-03-1978
	Act A558	01-01-1981
7	Act A430	03-03-1978
9	Act A430	03-03-1978
	Act A558	01-01-1981
11	Act A795	01-10-1988
First Schedule	Act A558	01-07-1980

Section	Amending authority	In force from
	Act A795	01-10-1988
	P.U.(A)364/1991	01-01-1991
	P.U.(A)78/1992	01-01-1989; 01-01-1992
	P.U.(A)33/1998	01-01-1995
	P.U.(A)377/2000	31-08-1999
	P.U.(A)406/2000	01-01-2000
	P.U.(A)227/2000	01-01-2002
	P.U.(A)178/2003	01-01-2003
Second Schedule	Act A558	01-07-1980