

PERFORMANCE AUDITING  
UNDERTAKEN BY  
AUDITOR - GENERAL OFFICE

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PREFACE

Performance Auditing is a new type of audit undertaken by the Auditor - General. It was introduced in 1978 and fully implemented in 1983. The aim is toward the measurement of the government departments productivity and act as an audit tool to the Programme Performance Budgeting System.

Therefore, the aim of the this project paper is to study about the objective and the importance of Performance Auditing in the Government departments, the approach and the process involve and also the problem faced by the audit staff in conducting Performance Audit.

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## 1.0 INTRODUCTION

Performance Audit is also expressed as Comprehensive Audit, Value For Money Audit, 3 E's Audit and Management Audit. Different organisations may use different term depending on the emphasize given in their efforts. In Malaysia, the Auditor - General has termed it as Performance Audit and/or Comprehensive Audit. Performance Audits involve auditing of selected projects undertaken by Ministries/departments. Where is Comprehensive Audits involve auditing of a Ministry/department activities as a whole. Whatever the term use, the audit focus is on the 3 E's i.e. economic, efficiency and effectiveness.

Government departments/agencies undertaken million dollars of development projects. The present traditional auditing ie. Financial and Compliance Audit where it emphasise on an examination of transactions in order to form an opinion that payment made in accordance with proper authority and were properly chargeable are not sufficient enough to measure the performance of the Government departments/agencies. But in Performance Auditing, the Auditor - General would be able to determine whether the departments/agencies have carried out their activities efficiently and economicly and had achieved their objectives/goals.