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# Stakeholders' Expectation of Audit Assessment on Public Buildings

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**Abstract**— Audit assessment of Public Buildings (PBs) is a relatively new field in the construction industry. The study was undertaken in the Public Works Department (PWD) as being one of the departments which conducts audit assessment on PBs. The study aimed to identify the stakeholders' expectations in the audit assessment on PBs by PWD. Data were collected through interviews and focus group using NVivo2 as the tool for data analysis. The expectations of the stakeholders indicate that expectation gap does exist and needs to be tackled in order to be successfully implemented by PWD. The expectations of the different stakeholders initiate a few issues that needed more discussions. The findings from this study initiate a study on the barriers for implementing audit assessment on PBs by PWD which is recommended for future study.

**Keywords**— Audit assessment; Public buildings; Public Works Department

## Introduction

All public work in Japan which is under direct government control or supported by subsidies are subject to potential audit by the Board of Audit [1]. The Board of Audit uses the audit reports to present its views and to seek action with regard to accounting procedures, legislation, systems, and administration. The government however expects the reports to state whether or not losses incurred have been recovered and what kinds of remedial action have been implemented. These different views of the audit objectives lead to the expectation gap between the stakeholders involved in the audit process. Wolf *et. al.* [2] defined the 'expectation gap' is an appropriate description of the diverse perceptions and expectations of stakeholders regarding to external audit. In

monitoring the systems on all its assets, the government has given PWD the responsibility in leading the asset and facilities management system development due to its expertise [3]. In conjunction with this, the government, through PWD introduced audit on buildings in 2007 on all buildings owned by the federal government. The aim of this paper is to investigate the different stakeholders' expectation of the audit assessment performed on PBs by PWD.

## Methodology

This study adopts a qualitative approach as it seeks to discover and understand a phenomenon, a process, perspectives and the worldview of the people involved, or a combination of these [4]. Marshall and Rossman [5] laid out the primary and secondary data methods of data collection in qualitative research. As this study applies a qualitative approach, it relies typically on two primary methods of gathering information; interviewing in depth, and focus group discussion. Interviews with public officers involved directly with the audit assessment practice were conducted. The interviews were conducted from August 2008 to August 2012. For the purpose of this study, the author adopted the 'Interviewing of Elites' as the in-depth interview method [5]. This is a specialized case of interviewing that focuses on a particular type of interviewee. Elite individuals are considered to be influential, prominent, and/or well-informed in an organization or community; selected for interviews on the basis of their expertise in areas relevant to research. The interviews were conducted using semi-structured interviews. Semi-structured interview was chosen as it gives flexibility to respondent to response. In exploring the audit assessment practice on PBs, a semi-

structured interview is seen fit as it indirectly encourages the respondents to disclose other hidden issues that might relate to the subject area. This method was considered to be of the most used in gaining an understanding of the stakeholders' expectations for the audit assessment practiced by PWD. The interviews and focus group discussions were analyzed using NVivo2 as the analysis tool. This study adopts the content analysis as it complies with the nature of the study.

### Results and Discussion

The findings of the study reveal (Figure 1) the different stakeholders' expectations for the audit assessment of PBs by PWD. There are mainly six different stakeholders involved in the audit assessment process namely the audit team from PWD, top management, building occupiers, contractor, consultants, and district's PWD team on site.

The study identified that the top management, which consists of the Ministry of Works and the relevant PWD's Director requires its staffs to conduct audit assessments on PBs and produce reports after two weeks of audit. On top of that, the related district is required to take over problematic project management consulting from private consultants. The study identified that PWD still face problems of understaffing to all its regional offices throughout Malaysia [6]. The audit assessment teams are based in PWD's headquarters and many of the state branches has just established their own audit team. The districts under each state are yet to have their own audit teams. The district branches expect to be provided with an adequate number of staffs in enabling the branch to perform audit assessments on PBs under its region. At the same time, the study on the audit section at the state level identified that the limited number of staffs limits the number of audits that can be performed by the section each year.

Figure 1: The stakeholders' expectations for the audit assessment on PBs by PWD (Nvivo2, 2013).

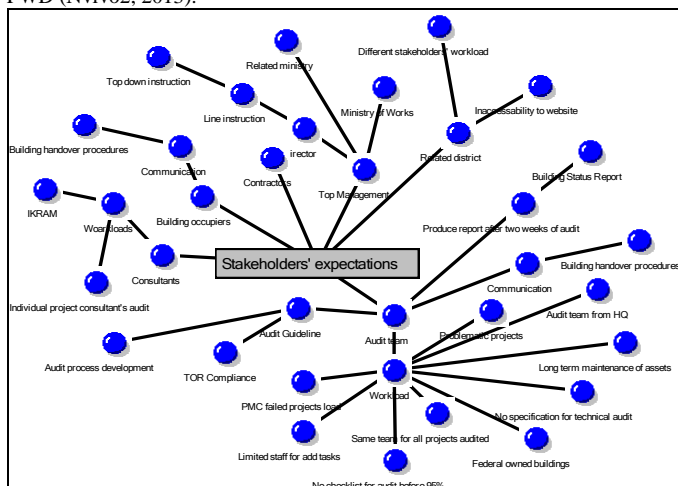


Figure 1 also outlines the consultant's and contractor's expectation of the audit assessment process. The consultants as well as contractors expect the audit assessment will reduce the number of defects during the Defect Liability Period (DLP) as the detection came earlier before the project completion. The related consultants and contractors involved are expected to take remedial action on defects detected by the audit team before any building is fit for handover. On the other hand, the building occupiers faced problems in the communication of building handover procedures. As the occupiers are not directly involved in the audit assessment performed by PWD, the lack of communication the processes and requirements for a building handover was not properly channeled to the building occupants.

At the same time, the audit team formed at the headquarters level was found to have a limited number of staffs and increasing number of workloads. It was highlighted that the increase of workload to cover problematic projects in the audit scope has become a huge barrier as the number of audit teams does not increase accordingly. At the same time, the audit team expects to be provided with a more detailed checklist in performing the audit assessment. Table 1 summarizes the various stakeholders' expectations of the audit assessment performed on PBs by PWD.

TABLE I: The stakeholders' expectations of the audit assessment on PBs by PWD.

Stakeholder	Expectation	Remarks
Building Occupier	Proper communication in building handover process	Building handover from the contractor to PWD and PWD to the building occupier can only be done after the rectification works on an audit assessment defect report are completed.
Top Management	-The Ministry of Works as well as the related PWD Director requires the audit team to produce report after 2 weeks of audit. - The related ministry being audited expects the project to be without defects and perform as planned.	The limited number of staffs and increasing number of workload limits the amount of audit assessment performed each year.
Contractors/ Consultants	Audit can reduce the number of defects during DLP period	Audit on PBs before completion is expected to find the defects that needed repair before the liability period starts.
Related District (PWD)	Zero defect audit assessment report as it reflects the districts' ability to monitor a project.	Audit reports reflect the project construction's compliance to the approved plan by the department. The district PWD representative, who acts as the monitoring

		body at the site is responsible to ensure project completion is as planned.
Audit team (PWD-HQ)	The additional number of audit staffs/teams to cater for the increasing workload.	The increase of problematic projects has increased the expectation of the top management of the audit teams. However, the limited number of staffs limits the practice of audit on PBs.

audit assessment on PBs by PWD which is recommended for future study.

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#### Conclusion

This study discusses the various stakeholders' expectations for the audit assessment on PBs by PWD. The expectations of the stakeholders indicate that expectation gap does exist and needs to be tackled in order to be successfully implemented by PWD. The expectations of the different stakeholders initiate a few issues that needed more discussions. The findings from this study initiate a study on the barriers for implementing