

INSTITUT KEFAHAMAN ISLAM MALAYSIA

Main Points

What we examined?

- Institut Kefahaman Islam Malaysia (IKIM) is a company limited by guarantee under the Prime Minister's Department which was established on 18 February 1992. The main activities of IKIM are to conduct research and undertake consultation, publication and media activities as well as organise seminars/workshops/forums and training.
- Assessment on the performance and management of the main activities of IKIM are on research and media activities for the year 2019 to August 2022.
- The performance of activities were assessed based on output and outcome achievement. Output achievement was assessed based on the Key Performance Indicators (KPI); the number of researches of the research centres; the number of publications of the research centers; the number of brand-new broadcasting as well as financial performance. The outcome was assessed based on the involvement of researchers and publications at international level; strengthening the image of IKIM; rating on radio, TV and social media; and recognition and awards received.
- The six aspects assessed in the activity management were management of the research activities; media activities; advertising; Islamic Civilization Collection (KTI); IKIM memberships and land asset management.
- Assessment of eight aspects of good corporate governance namely the Chairman, the Board of Directors (BOD), the Director General, the Company Secretary, the Strategic Plan and KPI, the Standard Operating Procedures, the Audit Committee, and the Internal Audit for the year 2019 to August 2022.
- Analysis of financial positions was conducted on audited financial statements for the year 2019, 2020 and 2021.

Why is it important to audit?

- IKIM plays an important role in promoting and providing accurate understanding of Islam towards cultivation and progress of Islamic civilization and the world through various programmes and activities.
- Until 2022, IKIM received a total of RM327.81 million grants from the Government.
- KTI worth RM10.16 million was procured in 2008.
- Two plots of land worth RM37.24 million have been owned for over 20 years and a total of RM0.53 million have been spent on quit rent.

- IKIM has never been audited by the National Audit Department since its inception in 1992.

What we found?

- Overall, IKIM has achieved the objectives of its establishment. However, there are several aspects that need to be given attention as follows:
 - IKIM KPI achievement from 2019 to 2021 were at satisfactory level because six (60%) of the 10 main KPI achievements were between 81% to 96.6%. Whereas four (40%) KPI achievement were less than 80% which were between 53.8% to 77.6%;
 - the IKIM media coverage at national level did not reach the target in 2020 and the number of resolutions/reports submitted to stakeholders did not reach the target in 2021;
 - IKIM radio ranking among Malay-language stations, the number of TV IKIM viewers and the number of Facebook likes decreased in 2021 compared to the target;
 - the BOD was not informed of the approval of the research implementation and the period of time for the extension of the research time was not set;
 - the cooperation between IKIM and external parties were not implemented according to the full scope;
 - radio broadcasting were made prior to approval and broadcasting performance evaluation were not undertaken;
 - peak hours of listenership were filled with long duration talk show slots on product and service advertisements;
 - the number of references made to the KTI worth RM10.16 million were considered very low;
 - poor management in IKIM's membership; and
 - the lands that are owned by IKIM have not been utilized and do not get ownership approval from the Minister of Domestic Trade and Consumer Affairs.
- IKIM Financial Position was stable with an excess income of RM86.11 million, however, IKIM is still dependent on Government grants and investment profits.
- IKIM's corporate governance practices were at a good level but need improvement for five aspects, namely BOD; Company Secretary; SOP; Strategic Plan and KPI; and Audit Committee.

What do we recommend

- IKIM's management and BOD need to give consideration to the following recommendations:
 - the notification process of research implementation approval to the BOD, application for extension of research time and programme broadcast approval needs to be strengthened;

- the goals and scope of cooperation with external parties must be well planned to ensure that they can be implemented and are achievable. Research and analysis of the publication of programmes should always be carried out to ensure that the number of listeners and viewers are increased;
- review the suitability of commercial product advertisement's content during radio's peak hours to include Islamic elements in accordance with IKIM's objectives;
- continuous efforts to strengthen the KTI's management so that it can be fully utilized by society and achieve the KTI's procurement objectives;
- continuous efforts to increase IKIM membership or review the IKIM Constitution so that the number of members is reasonable/suitable to actual needs based on the goal of increasing understanding of Islam;
- approval to own land from the Minister should be obtained and the land should be effectively utilized; and
- strengthen corporate governance practices in the aspects of BOD; Company Secretary; SOP; Strategic Plan and KPI; as well as Audit Committee.