

**MINISTRY OF HUMAN RESOURCES  
MINISTRY OF HOME AFFAIRS  
DEPARTMENT OF LABOUR PENINSULAR  
MALAYSIA**

**MANAGEMENT OF FOREIGN WORKERS THROUGH  
INTEGRATED FOREIGN WORKERS MANAGEMENT  
SYSTEM (ePPAx) AND FOREIGN WORKERS  
CENTRALIZED MANAGEMENT SYSTEM (FWCMS)**

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**Main Points**

**What we  
examined?**

- The Integrated Foreign Workers Management System (ePPAx) and Foreign Workers Centralized Management System (FWCMS) were developed/implemented to enhance the efficiency of managing foreign workers holistically and to facilitate the enactment of the country's foreign worker employment policies.
- The audit covered two main areas, namely performance of the development/implementation and management of both systems. The performance of the development/ implementation of both systems were assessed based on the achievement of output and outcome.
- The achievement of output was measured by the systems' development/implementation performance and the systems' utilization.
- The outcomes were measured by the achievement of the overall system development/implementation, the effectiveness of the foreign worker's management process, control on quota limit and employers' perception towards the systems.
- The evaluation of ePPAx and FWCMS management consist of system and data integrity, agreement management, system implementation review and system security mechanism.
- The audit was conducted at the Ministry of Human Resources (MOHR), the Ministry of Home Affairs (MOHA), the Department of Labour Peninsular Malaysia (JTKSM) and the Company 838886-T. Physical visits were conducted at the One Stop Centre (OSC) MOHR, Kuala Lumpur International Airport, Kuala Lumpur International Airport 2 and employers' premises.

**Why it is important to audit?**

This audit was conducted to assess whether the performance and management of ePPAx and FWCMS have been implemented economically, efficiently and effectively to achieve its objectives.

**Conclusion**

Overall, it can be concluded that the management of foreign workers through the ePPAx and FWCMS Systems is unsatisfactory. The ePPAx System, with a development cost of RM19.39 million, was not optimally utilized due to its limited usage to only process the eligibility of quota recommendations for foreign workers through the issuance of a Job Clearing System (JCS) Document. In addition, the OSC Module was not used for quota approval and the Cabinet's decision to use FWCMS in managing foreign workers. Furthermore, there are weaknesses in the management of the ePPAx System, such as system settings being modified, and quota applications were made outside the Manpower Recalibration Programme (Program Rekalibrasi Tenaga Kerja, or RTK) period.

While for the FWCMS, the completed 12 modules were only used by one source country, namely Bangladesh compared to the 15 source countries allowed. Furthermore, the audit findings also indicate weaknesses in system's implementation management which is the agreement was yet to be signed, the Government's right undetermined, the method and direction of implementation are not clear, the initial screening function and employer eligibility calculation were deactivated and the user ID control was improperly managed.

NO.	AUDIT ISSUES	IMPACT	RECOMMENDATION FOR SOLUTIONS
1.	ePPAx: Delay in completion and go-live of all modules between 93 to 347 days.	The system was not delivered within the stipulated time frame specified in contract.	The MOHR and MOHA must establish a sound governance of foreign workers' management system that complies with Government regulations to safeguard the Government's rights and interests as well as national security.
2.	FWCMS: A total of 12 out of 15 modules have been completed and go-live, except for three modules, namely ePLKS, Online Payment and eWages.	The achievement of FWCMS implementation cannot be measured yet.	
3.	FWCMS: The agreement has not yet been signed, and the system has been implemented improperly.	Service obligations, property rights of the Government's systems and data as well as data security and integrity cannot be determined and the interests of the Government are not protected.	
4.	FWCMS: The modules are not fully used for the management of foreign workers after the go-live of Phase 1 on February 1, 2017 and Phase 2 on October 25, 2021.	The system is not optimally used.	The MOHR and MOHA should discuss and decide who will be fully responsible for the foreign worker management system without neglecting the needs of all stakeholders. The system used must have the characteristics of interoperability, scalability and sustainability to implement the foreign worker management process seamlessly in ensuring that the management, monitoring and control of foreign workers can be implemented effectively.
5.	ePPAx: Issuance of the JCS Document and the Result of Application for the RTK exceeded the stipulated period: <ul style="list-style-type: none"><li>A total of 15,206 JCS Documents were issued between two to 19 months.</li><li>A total of 2,672 JCS Documents for appeal applications were issued between two to 31 months.</li><li>Results for RTK for 6,204 applications were made between eight to 395 days.</li></ul>	This condition has an impact on the effectiveness of foreign worker management.	
6.	FWCMS: Approval for quota and Visa With Reference (VDR) as well as the period taken for complaint management		

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	<p>exceeded the stipulated period:</p> <ul style="list-style-type: none"><li>• A total of 76 out of 1,122 normal applications were approved between four to 44 days from Regulatory Agencies' approval.</li><li>• A total of 9,372 out of 10,094 applications under Jawatankuasa Khas Sementara KSM were approved between four to 145 days.</li><li>• A total of 111,167 out of 172,371 VDR applications were approved between three to 150 days.</li><li>• A total of 2,597 completed, pending and under examination complaints were processed between 31 to 549 days, exceeding the designated period.</li></ul>		
7.	ePPAx: A total of 8,021 employers' applications with 222,105 quotas had been bypassed ePPAx System to obtain JCS Document.	Data transparency and integrity cannot be assessed because the process was not done through the system.	The MOHR and MOHA must implement foreign workers management process efficiently, transparently and integrity driven. The process must cover both internal and external process involve in the foreign workers management system. This process needs to take into account the rights, limitations, jurisdiction and functions of all related Government agencies in accordance with the current Government policy and their respective Acts to ensure effective management, monitoring and control of foreign workers.
8.	ePPAx: The system settings have been modified to allow applications that exceed the employers' eligibility of foreign workers quota.	Good governance of the system is compromised.	
9.	ePPAx: 18 employer applications to recruit 1,291 illegal migrants were submitted through ePPAx System after the application for RTK Programmed was closed/disabled.		
10.	FWCMS: The initial screening function and the employer eligibility calculation were deactivated in the system.	Increase the risk of manipulation.	

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11.	<p>FWCMS: User ID control was improperly managed:</p> <ul style="list-style-type: none"> <li>Two user IDs acting as MOHR Super Admin were not personnel of MOHR.</li> <li>A total of 24 unauthorized users in eQuota module had approved 24 employer applications.</li> <li>24 user IDs belonging to Company 838886-T's officers had roles as Government user. These IDs were registered under six email addresses of the Company.</li> <li>31 user IDs were not associated with FWCMS still exist and active.</li> <li>44 employers have multiple user IDs ranging from two to eight IDs.</li> </ul>	Increases the risk of ID misuse.	
12.	The control mechanism for quota limitation was not established.	There will be an excess of quota approvals and foreign workers in the country.	The MOHR and MOHA must ensure that the system used/managed is designed with the mechanism of quota limitation control to govern the approval of foreign workers' recruitment in accordance with the nation's workforce requirements.

