



**CHAIRPERSON  
OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)  
CUM MEMBER OF PARLIAMENT FOR PARIT SULONG**  
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**2 December 2019**

**MEDIA STATEMENT BY HON. DATUK DR NORAINI AHMAD,  
CHAIRPERSON OF THE PUBLIC ACCOUNTS COMMITTEE (PAC),  
WHO IS ALSO THE MEMBER OF PARLIAMENT FOR PARIT SULONG  
ON THE  
BRIEFING ON THE AUDITOR GENERAL'S REPORT 2018 SERIES II**

1. PAC was given a briefing by Dato' Nik Azman Nik Abdul Majid, the Auditor General on the Auditor General's Report 2018 Series II.
2. During the briefing, PAC was informed that the overall cost of government activities according to performance audit was RM35.893 billion, involving the Construction Category which cost RM16.488 billion; the Fund Management Category, RM 10.922 billion and 10 programmes/activities, RM 8.43 billion.
3. The number of audits done in the breakdown according to Ministry are as follows:
  - 2 studies involving the Ministry of Finance, Ministry of Agriculture and Agro-based Industry and Ministry of Education;
  - 1 study involving the Ministry of Economic Affairs, Ministry of Works, Ministry of Primary Industries, Ministry of Tourism, Arts and Culture, Ministry of Housing and Local Government, and Ministry of Youth and Sports

4. PAC was also informed that there were 6 cases of improper payment amounting to RM344.54 million, 4 cases of leakage amounting to RM286.39 million and 5 cases of wastage amounting to RM411.01 million
5. The improper payment involved:
  - a. the Ministry of Agriculture and Agro-based Industry, which was about the Subsidy and Incentive Scheme for Paddy Farmers that cost RM195.81 million and the Cow Integration Programme that cost RM 720,000;
  - b. the promotional programmes aimed to attract more international tourists under the Ministry of Tourism, Arts and Culture that cost RM136.67 million;
  - c. the MyHome Scheme under the Ministry of Housing and Local Government that cost RM1.74 million; and
  - d. the Permata Insan Programme under the Universiti Sains Islam Malaysia (USIM) that cost RM400,000.
6. On leakage, the amount was RM279.73 million involving the Subsidy and Incentive Scheme for Paddy Farmers under the Ministry of Agriculture and Agro-based Industry, RM6.57 million involving the Temasya Kuala Lumpur 2017 under the Ministry of Youth and Sports and RM900,000 involving the Permata Insan Programme under USIM.
7. For wastage, PAC was informed that the amount incurred was:
  - a. RM215.65 million involving Mudahcara Fund under the Ministry of Finance;
  - b. RM14.11 million involving the International School of Labuan under the Labuan Financial Services Authority;

- c. RM3.43 million involving the Text Book Loan Scheme under the Ministry of Education
  - d. RM177.32 million involving the FELDA New Generation Housing under the Ministry of Economic Affairs
  - e. RM500,000 involving the Cow Integration Programme under the Ministry of Agriculture and Agro-based Industry
8. PAC was informed that Auditor-General's Department also conducted audits on the Mudah Cara Fund under the Ministry of Finance/UKAS that involved RM10.922 billion including the Perdana University which cost RM191 million, and the Geothermal Power Plant in Tawau, Sabah which cost RM24.65 million
  9. Also audited in terms of performance was the Ministry of Economic Affairs which involved the FELDA New Generation Housing project. PAS was informed that out of the 20,000 targeted housing units to be constructed within the 5-year-period from 2013 to 2017, only 8314 units' constructions were executed, among them, 1498 units were completed, 3566 units are still in construction, the construction contracts for 2820 units were terminated, 400 units suspended and 1038 units cancelled.
  10. In terms governance, PAC was informed that 1 analysis was done on the financial position and monitoring of the Minister of Finance Incorporated (MKD) while 7 studies on practice of corporate governance were conducted on Panorama Langkawi Sdn. Bhd., Pusrawi Hospital Sdn. Bhd. KTMB, IJN Sdn. Bhd. Permodalan Risda Bhd., Clinical Research Malaysia and International University of Malay-Wales Sdn. Bhd.

11. PAC was informed that 6 companies were found to have satisfactory corporate governance practice, they were Panorama Langkawi, Pusrawi, KTMB, IJN, Permodalan Risda and Clinical Research Malaysia but less satisfactory for International University of Malaya-Wales.
  
12. In terms of financial position:
  - 3 companies namely KTMB, Permodalan Risda and International University of Malaya-Wales were found to be less stable.
  - Pusrawi and IJN – strong.
  - Panorama Langkawi and Clinical Research Malaysia - stable.
  
13. In terms of financial position, PAC was informed that:
  - 8 agencies were given audit certificate with reprimand from the Auditor General, they were SOCSO, Railway Assets Corporation, National Sports Institute, Academy of Sciences Malaysia, Kemaman Port Authority, Kuantan Port Authority, Hindu Endowments Board, Skills Development Fund Corporation.
  - 6 agencies were given certificate without reprimand with an emphasis of matter (EOM), they were the Public Sector Financing Board (LPPSA), Malaysia's Tourism Promotion Board (LPPM), University of Malaya, Labuan Corporation, Subang Golf Course Corporation and Kedah Regional Development Authority.
  
14. I would also like to inform about the performance of PAC throughout the year. The committee had held 29 proceedings, 12 report preparation meetings, 12 verification meetings and 15 briefings, and had tabled 9 PAC reports in Dewan Rakyat.

15. I would like to thank all the committee members and ex-officio from MOF, MEA, Public Service Department (PSD), Attorney General's Chamber (AGC), MACC, National Audit Department (JAN) and the Accountant General's Department of Malaysia (AGM) for their commitments to this committee.

Hon. Datuk Dr Noraini Ahmad  
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Parliament of Malaysia