

WEDNESDAY JANUARY 25, 2012

Auditor-General: We never said NFC in a mess - BY MAZWIN NIK ANIS

PETALING JAYA: There were weaknesses in areas of implementation of the National Feedlot Corporation (NFC) project, **said Auditor-General Tan Sri Ambrin Buang**. He said from an audit perspective, there were several weaknesses in the implementation of the project or the government would not have, in May 2009, postponed its implementation until a viability study was carried out. Ambrin, however, said the Auditor-General's Report 2010 had never labelled the project as being in "a mess." He said the National Audit Department had looked at how the NFC fared since it was set up in 2006. "In the Auditor General's Report 2010, no where did words "in a mess," "in chaos" or "misappropriation" were used. "These words were used by other parties and the department should not be held responsible. "The department is of the opinion that if there are any elements of misappropriation in the implementation of the project, it would be up to the authorities such as the police or Malaysian Anti-Corruption Commission to investigate," he said Wednesday.

Ambrin said the audit was to evaluate whether the NFC project had been carefully planned, whether its implementation was carried out prudently and met its objective. The audit was never on the company, National Feedlot Corporation Sdn Bhd (NFCorp). He said the audit involved reviews on information obtained from several government agencies such as the Agriculture and Agro-based Industry Ministry and Finance Ministry. He said NFC's officials also provided information when the department made a site visit in March last year. "Audit analysis showed the objective of the National Feedlot Centre project had not been fully met and this is due to various factors as explained in the Auditor General's Report 2010," he said. Among them was the centre's production target, which according to an agreement signed in March 2010 was to have 38,600 heads of cattle. This was not achieved because the Entrepreneur Development Programme involving 130 satellite farm entrepreneurs had not been implemented. "The department would like to stress that audit into the National Feedlot Centre project was made professionally and independently without prejudice to any parties. "Statements questioning the integrity and credibility of the department's auditors is regretted," Ambrin said.

WEDNESDAY JANUARY 25, 2012

Audit a chance to clear name, says NFC

KUALA LUMPUR: The government audit of the National Feedlot Corporation "will help allay public concerns and criticism as the findings would bring out the hard facts of the project," the company said. It said the audit would hopefully dispel misconceptions about NFCorp and help restore the company's credibility, which has been dented by such "irresponsible allegations". NFCorp executive director Wan Shahinur Izmir Salleh, said in a statement, that the company was cooperating fully with police and anti-graft officers investigating the

company for alleged abuse of federal funds and would await the outcome of the probe. Last week, the government announced that an accounting firm would be appointed to conduct due diligence and project auditing of the NFC.

Deputy Prime Minister Tan Sri Muhyiddin Yassin said this would be done in terms of the project's finances, fund usage and management. "This is to protect the Government's interests, and this task is expected to be finalised in a month," he added. Last October, the Auditor-General's Report 2010 indicated that the project had not met targets set by the Government. It reported that the RM74mil NFC in Negri Sembilan was poorly managed and only produced 3,289 heads of cattle, which was 41.1% of its target. Wan Shahinur said various parties had taken the word "mess" as described in the report of NFC's state of affairs to create a bigger perceptual confusion for all, much to the detriment of NFC. "Nowhere and at no time had the Auditor General described in his 2010 audit report that National Feedlot Corporation Sdn Bhd was in a mess'. "Clearly, critics saying the project being in a `mess' is inaccurate. And quoting the Auditor General to having said that is an allegation made out to mislead falsely and mischievously," he said. I zmir also encouraged the public to read the AG's report, available at the Jabatan Audit Negara's website.

THURSDAY JANUARY 26, 2012

A-G didn't say corporation was in a mess, says NFC

PETALING JAYA: The National Feedlot Corporation Sdn Bhd (NFC) has maintained that the Auditor-General did not say the company was in a "mess" in its 2010 report. Its executive director Wan Shahinur I zmir Salleh said: "Nowhere and at no time did the A-G say NFC was in a mess'. "Quoting the A-G as having said that is misleading and mischievous." Wan Shahinur I zmir urged the public to read the A-G's report "in order for the real perspective to be understood and appreciated". He said NFC had held a dialogue with key NGOs to clear the air over the alleged mess' and the corporation's chairman Datuk Seri Dr Salleh I smail had presented the facts. "Several reports have already been lodged and numerous statements have also been given to the police with NFC's books and documents in the ongoing investigation. "NFC is fully cooperating and awaiting the outcome of these investigations," he said. He added that the company welcomed the Government's decision to appoint an accounting audit firm to conduct due diligence and audit on the project. "It will help allay public concerns and reveal the true picture. "More importantly, it will also correct misconceptions and restore the company's credibility."

THURSDAY JANUARY 26, 2012

A-G on 'centre' of controversy - By MAZWIN NIK ANI S mazwin@thestar.com.my

PETALING JAYA: The Auditor-General reiterated that there were weaknesses in the implementation of the National Feedlot Centre. However, he said his department made no mention of misappropriation of funds because it was outside its purview. "Whether there are elements of misappropriation is for authorities like the police and the Malaysian Anti-Corruption Commission to investigate," clarified Tan Sri Ambrin Buang. He said the National

Audit Department was called in to look at how the centre was faring since it was set up in 2006 and not the National Feedlot Corporation. "In the Auditor-General's Report 2010, nowhere were words like in a mess', in chaos' or misappropriation' used.

"These words were used by other parties and the department should not be held responsible," he added. "From the auditing perspective, there were several weaknesses in the implementation of the project. "Why else would the Government have, in May 2009, postponed the implementation pending viability and business model studies on the centre?" Ambrin said. He said the audit was to determine whether the centre had been carefully planned, prudently carried out and met its objective. He said the auditing had involved the scrutiny of information from the Agriculture and Agro-based Industry Ministry, Finance Ministry and government agencies such as the Veterinary Services Department as well as NFCorp officials. "Audit analysis showed the objective of the centre had not been fully met and this was due to various factors as explained in the Auditor-General's Report 2010," he said.

Ambrin said the production target of 38,600 head of cattle for 2010 had not been achieved because the Entrepreneur Development Programme involving 130 satellite farm entrepreneurs had not been implemented. He stressed that the performance audit was done professionally and independently without prejudice to any party. On NFCorp, Ambrin said it was a company registered under the Companies Commission of Malaysia with the Ministry of Finance Incorporated holding a golden share of RM1. The paid up capital of RM1.11mil was contributed by Agrosience Industries Sdn Bhd. As at the end of 2010, the Agriculture and Agro-based Industry Ministry had spent RM48.71mil to prepare a 2,000ha site for the project. The size was later more than halved to 800ha. Ambrin said a RM13mil launching grant was given to NFCorp in Sept 2007 to prepare infrastructure. As at the end of 2010, RM6.52mil had been paid to the company for the construction of roads and cattle pens. A soft loan of RM250mil was approved for NFCorp through an agreement signed in Dec 2007 and, as of March 2010, RM134.7mil had been released to the company based on claims made to the Finance Ministry.

THURSDAY JANUARY 26, 2012

NFC project not a failure, says Noh Omar

KUALA SELANGOR: Auditor-General Tan Sri Ambrin Buang's clarification on the National Feedlot Centre (NFC) project has proven that the project has not failed, said Agriculture and Agro-based Industry Minister Datuk Seri Noh Omar. "This is due to the National Feedlot Corporation Sdn Bhd (NFCorp) project achieving its Key Performance Index of producing more than 8,000 heads of cattle over the three-year period since 2008. "The Auditor-General's clarification on the NFC project is the same as the lengthy explanation I gave in Parliament earlier," he said after distributing the 1Malaysia People's Aid (BR1M) to eligible recipients in Bukit Belimbing. Noh was commenting on the National Audit Department's (NAD) clarification yesterday that the Auditor-General's Report 2010 did not mention words such as chaotic, "in a mess" or misappropriation on the project in Gemas, Negri Sembilan. Ambrin said in a statement that "these words were used by other parties

and the NAD should not be held accountable". Ambrin went on to say that in NAD's opinion, it was up to the authorities such as the police and Malaysian Anti-Corruption Commission (MACC) to investigate if there were elements of misappropriation in the implementation of the project. From an audit perspective, there were several weaknesses in the implementation of the project which caused the government to postpone it to May 2009, before the audit, pending a projection and business model done, he said.

Noh admitted there was a delay in the project, during the clearing of the 5,000-hectare site in Negeri Sembilan comprising 1,500 hectares to NFCorp, 500 hectares to another company and the rest of the land to the state government. He said the opposition were clearly confused when they said the government had loaned RM250 million to the company before an agreement was signed. "This is because there were two agreements with NFCorp, the first on Dec 6, 2007 with the Finance Ministry involving the RM250 million loan, and the second with the Agriculture and Agro-based Industry Ministry signed on March 8, 2010, when I was the minister. "So, there was no way the loan would have been disbursed before the agreement was signed. The opposition were twisting the facts, saying the agreement was made in 2010 but didn't mention the one signed in 2007." He said if there were any misappropriation in the project implementation, the ministry would leave it to the MACC to investigate. "The project is not a failure. The ministry just has to reorganise it so that it is implemented in accordance with the terms of the agreement," he added.

THURSDAY JANUARY 26, 2012

NFC says vindicated by AG's statement

PETALING JAYA: The National Feedlot Corporation Sdn Bhd (NFCorp) believes that the Auditor-General has vindicated it from "months of tireless public bashing" over claims that the company is in a mess. "NFCorp would like to take this opportunity to thank the Auditor-General for issuing this valuable conclusion to what can be described as an arduous period for NFCorp," NFCorp executive director Wan Shahinur Izmir Salleh said in a statement. Auditor-General Tan Sri Ambrin Buang said on Wednesday that his department's 2010 audit on the company "did not touch on misappropriation of funds". Ambrin pointed out that the focus of their audit was on the performance of the National Feedlot Centre, set up by NFCorp in 2006, and not the company itself, and that nowhere in the report were the words "in a mess", "in chaos" or "misappropriation" used. Wan Shahinur said with that, the company was looking forward to "strengthening public perception" towards NFCorp. The NFC scandal hit headlines when the Auditor-General's 2010 report highlighted the centre's failure to meet the annual beef production target set by the Government.

FRIDAY JANUARY 27, 2012

A-G's statement has vindicated us, says NFCorp

PETALING JAYA: The National Feedlot Corporation Sdn Bhd (NFCorp) believes that the Auditor-General has vindicated it from "months of tireless public bashing" over claims that the company is in a mess. NFCorp executive director Wan Shahinur Izmir Salleh said the

Auditor-General's statement on Wednesday proved that all was in order with the company. "NFCorp would like to take this opportunity to thank the Auditor-General for issuing this valuable conclusion to what can be described as an arduous period for NFCorp," he said in a statement yesterday, the company's second following **Auditor-General Tan Sri Ambrin Buang's clarification** that his department's 2010 audit of the company "did not touch on misappropriation of funds".

Ambrin pointed out that the focus of their audit was on the performance of the National Feedlot Centre, set up by NFCorp in 2006, and not the company itself, and that nowhere in the report were the words "in a mess", "in chaos" or "misappropriation" used. Wan Shahinur said with that, the company was looking forward to "strengthening public perception" towards NFCorp. The NFC scandal hit headlines when the **Auditor-General's 2010 report** highlighted the centre's failure to meet the annual beef production target set by the Government. Set up in 2006, the NFC was supposed to produce 38,600 heads of cattle in 2010 but fell short as the Entrepreneur Development Programme involving 130 satellite farms had not been implemented. NFCorp is registered under the Companies Commission of Malaysia with the Ministry of Finance Incorporated holding a golden share of RM1. The company's paid-up capital of RM1.11mil was footed by Agrosience Industries Sdn Bhd.

SATURDAY JANUARY 28, 2012

**No need for royal inquiry panel on NFC, says Muhyiddin - By ZUHRIN AZAM AHMAD
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PUTRAJAYA: Deputy Prime Minister Tan Sri Muhyiddin Yassin has brushed aside calls for the setting up of a Royal Commission of Inquiry into the National Feedlot Corporation controversy. He said existing enforcement agencies such as the police and the Malaysian Anti-Corruption Commission were capable of handling the matter. Furthermore, he said the Government had appointed an accounting firm to conduct an audit on the company. "I think these are sufficient to handle the matter," he said after visiting the Putrajaya Umno division office yesterday. Muhyiddin had earlier said the audit would cover the project's finances, funds usage and management. He said the Government had given a RM250mil soft loan for the project, of which RM181mil had been used. In October, the **Auditor-General's Report** indicated that the project had not met targets set by the Government. Muhyiddin said the Government wanted all its projects including NFC to succeed. "There are a few that have had problems and we will try to overcome them. "Once we get to the bottom of the (NFC) matter, we will think of improvements to ensure it is viable," he said. On another matter, Muhyiddin, who is Education Minister, said a secondary religious school would be built in Precinct 11 here. He said the school would cater to the growing demand for Islamic education among Putrajaya residents. The construction of the school, which would cost RM55mil, would begin this year under the Third Rolling Plan of the 10th Malaysia Plan. "It will be a boarding school that can accommodate between 200 and 300 students," he said. The religious school was actually opened in January last year but it is operating at SMK Putrajaya in Precinct 11. It has a total of 217 Form One and Form Two students.