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No cover-up in Malacca report, says Auditor-General

PUTRAJAYA: State-managed trust funds financed by the government are "assets" while those using public and private sector contributions are "liabilities".

Auditor-General Tan Sri Ambrin Buang said a directive to standardise ways of treating such trust funds would be issued soon to avoid misunderstandings over state accounts. "The crux of the matter is the treatment of trust funds. Trust funds with contributions from the government should be referred to as assets and not liabilities.

"That is all there is to it. There has been no cover-up. Covering up such a thing is a serious matter as liabilities have to be repaid. Examples of funds categorised as assets are grants meant for specific purposes." Ambrin said states must rectify this problem and not do what Malacca had been doing. He was commenting on DAP secretary-general Lim Guan Eng's allegation of a "cover-up" in the audit of the Malacca state accounts last year involving the "omitting" of RM194.57 million in liabilities.

Ambrin, defending his 2005 report which has been criticised by several Menteri Besar, said they did not understand the rationale behind his comments. He said the report was not only meant to ensure prudent spending by federal agencies, ministries and state governments, but also to ensure that projects carried out met their targets. On Selangor Menteri Besar Datuk Seri Dr Khir Toyo's statement that no abattoirs had been planned last year, he said two such projects in Berjantai Bestari should have been completed by 2000.

"The projects were planned by his predecessor and there may have been an absence of proper records leading to the confusion," he said. He added that a visit to the project area showed that the project came to a halt last November. The Auditor-General's report for 2005 had stated that a delay in building the abattoirs had cost taxpayers an extra RM21 million. He said one abattoir only slaughtered seven cows a day when it had the capacity for 100 a day. On his statement that RM4.5 million and RM400,000 had been taken from a special payment fund to renovate the Negri Sembilan guest house and turn it into the Menteri Besar's official residence, he said the report never questioned the need for such expenditure. He said he had asked for clarification from the Treasury on the rationale behind channelling special funds meant for needy farmers and students for other purposes.

