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Special funds issue baffles Negri MB

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SEREMBAN: Menteri Besar Datuk Seri Mohamad Hasan is perplexed over allegations that his administration had misused special funds allocated to the state.

The allegations are contained in the Auditor-General's report on the special payment allocated to Negri Sembilan for 2004 and 2005.

According to the report, the usage of a portion of the funds, which was meant for the needy, was not in line with the goals of the special payment. Among others, it claimed that RM4.5 million was used to renovate the state guest house and turn it into the Menteri Besar's official residence.

It also stated that the state government had used RM400,000 to buy new furniture for the Port Dickson and Seremban district administrative offices. The "Program Pembiayaan Wang Ehsan" (or special payment) is a mechanism that was devised in 2000 as a solution to the controversial oil royalty issue. Initially meant for social and welfare projects in Terengganu, the scheme was extended to Kelantan, Kedah, Perlis, Pahang and Negri Sembilan, which was allocated a total of RM40.1 million for 2004 and 2005.

"Obviously, there are flaws in the (Auditor-General's) report. They have erred," said Mohamad. "The money (for the renovation and purchase of furniture) was obtained from other funds meant for this kind of expenditure," he said after launching a gotong-royong at the Seremban wet market grounds here. Just an hour before Mohamad was asked to comment on the matter, DAP Negri Sembilan lodged a report with the Anti-Corruption Agency.

DAP state chairman Loke Siew Fook, referring to the Hansard of the second state assembly sitting last year, said Mohamad had explained that the Public Works Department had found the old official residence unsafe for occupancy, and had proposed a new one for RM16 million, which he (Mohamad) had rejected as too costly.

Lok claimed that Mohamad had said that because of that, he had to stay at the state guest house. "Although the Auditor-General's report was written in a diplomatic manner, it was clear from the report and excerpts of the Hansard that there were reasons to suspect irregularities," Loke said. Mohamad said the Auditor-General's findings on the utilisation of the fund were inaccurate. There were separate funds allocated for the renovation and the purchase of the furniture.

"We have never touched the special payment fund for purposes other than what it is

meant for." He said the state audit director would be asked to seek immediate clarification from the Auditor-General's office.

State ACA director Mohd Yusoff Md Zain confirmed that a report was lodged by the DAP.