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Abuse of tsunami aid highlighted

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KUALA LUMPUR: The workmanship was shoddy and the whole programme badly managed.

This was the observation of the Auditor-General on the programme to repair or build houses for tsunami victims in Kedah and Penang in 2004, which amounted to RM9.82 million. "Contracts were not signed, projects completed late and the quality of the work shoddy. "There are houses which still have defects despite work done to rectify them," said Tan Sri Ambrin Buang in his 2005 report tabled in Parliament yesterday.

The Auditor-General made these observations in the review of audited accounts for the National Disaster Relief Fund, which falls under the Treasury. Highlighting abuse in the relief programme for tsunami victims, the Auditor-General said the repair and purchase of fishing nets, outboard motors and boats, costing RM9.84 million were mismanaged.

"The equipment to repair outboard motors was not to specifications. "The equipment could not be used as the fishermen did not have the skills. Its purchase did not come with supporting documents either." Even more baffling was a RM32,180 payment for the construction of a workshop to repair boats and outboard motors, which was never built in the first place.

Ambrin said new boats supplied to the victims were of poor quality and had to be constantly repaired as they leaked. "In the end, the fishermen rejected the boats." The fund was also slow in disbursing aid to disaster victims.

"There was a delay of between 24 and 527 days in disbursing RM12.06 million in aid simply because there was a staff shortage. "A lack of guidelines on how to disburse the money also contributed to the delay." Ambrin also took exception to the delays in returning excess aid money, with aid agencies holding on to the funds. "An excess of RM6.7 million (up to end of last year) has yet to be returned to the Treasury as required by procedure."

Touching on another area of aid management, the Auditor-General in his report called on the Treasury to ensure funds set aside under the Dana Khas (Special Fund) was used for its intended purpose and highlighted some abuses.

For example, a total of RM701,222 was spent by the Kedah State Development Office to purchase caps, shirts and lapel pins and erect billboards in conjunction with the Prime

Minister's and Deputy Prime Minister's visits to the State last year. "The office also bought uniforms for State assemblymen to wear for the State National Day celebrations; carpets and timber blinds for the Menteri Besar's office; and camera equipment for a television crew."

The Kedah Menteri Besar directed the purchases. The State also spent RM1.2 million to buy 700 computers in 2004, which were distributed to Village Development and Security Committees — without a tender process, hence in violation of Treasury directives. In Terengganu, RM14.69 million was allocated from the fund to treat chronically-ill patients and help flood victims in 2003 and 2004. This amount was not spent because those entitled to it made no claims. The report said RM270,000 was also used to buy three computerised songket weaving machines but the machines were never used and ended up as exhibits at the Terengganu Crafts Centre. The machines had to be operated manually. Ambrin pointed out that excess funds were never re-invested, and as of last year, the fund stood at RM2.53 billion.