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**Auditor-General's Report: Money wasted in many States**

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**MILLIONS of ringgit and man-hours continue to go down the drain in the States.**

And there is nothing surprising about the reasons: poor monitoring and slipshod implementation of projects. Auditor-General Tan Sri Ambrin Buang, in his annual report on the performance of the States for 2005, said supervision of project implementation was very poor in many cases. However, he praised most of the State Governments for good project planning.

"Some of these weaknesses have been pointed out many times before. There are slight changes but much more can be done if the departments pool their resources by implementing the projects thoroughly. "We hope the officers in charge of the projects that are audited will learn from their mistakes and will ensure other projects under them are carried out efficiently," he said.

He repeatedly stressed the need for proper implementation and strict monitoring of projects. This, he said, would reduce monetary wastage and make the country more efficient. He took a swipe at civil servants for their lax attitude which caused delays in the implementation of projects funded by the Federal Government. Among the problems that plagued many of the States were unfinished projects and inadequate development allocations.

He said Kedah had only spent 32 per cent of the amount allocated for development since 2001 under the Eighth Malaysia Plan despite aiming to become a developed State by 2010. Kedah, he observed, had only spent RM1.1 billion of the RM3.6 billion allocated. As a result, some of the 2005 projects that had yet to see the light of day included water supply projects in Sik, Bandar Baru and Padang Terap by the Public Works Department.

In Perak, out of 155 of the 159 projects which had yet to start were under the jurisdiction of the PWD. The reason for the delays included problems with land acquisition, refusal of contractors to undertake the contract and cancellations. The cancellations were a result of a clash of power between the PWD and the Rural Development Ministry.

Ambrin was not pleased with the Sarawak PWD for the poor quality of roads. The largest State in Malaysia, he said, was still lacking in proper road signs and poor road finishing, causing a danger to motorists. He hoped the Klang Municipal Council would build hawker centres at strategic spots, rather than build them in places where there were no takers.

"Instead of wasting millions of taxpayers' money, we hope there will be proper planning of food courts," he said. The report also attributed the inefficiency within government departments to a lack of manpower in several departments. He hoped government departments and agencies would buck up to help the country move ahead.

### **Perak and Terengganu: Syariah court complex delayed by constant design changes**

THE Syariah courts in Perak were apparently aiming for perfection when it came to building the court complex. The complex, costing RM35.01 million, was completed after a period of delay because the contractors received no less than 15 "change in work orders" from court officials and four requests for time extensions. Among the reasons attributed to the delay were change in design for the main entrance, difficulty in sourcing building materials, the weather and delays by the sub-contractors.

The Public Works Department (PWD) also has problems in carrying out its projects. Out of 159 projects which have not started, 155 came under the jurisdiction of PWD. Some of the projects had problems with land acquisition and contractors' refusal to do the job.

According to the Auditor-General's report, the State's treasury was still struggling with its financial management due to poor supervision by officers and the lackadaisical attitude of officers in charge.

The report said although there was a general improvement in the State's financial management, Department heads and agencies should be more stringent in keeping their financial records.

In Terengganu, the State's financial management in 2005 has shown some improvement compared to the previous year. However, the Attorney-General has found that non-compliance with several financial regulations on revenue, expenditure, asset management and maintenance of financial records is still taking place.

To counter the problems, the Auditor-General's Department has launched an "adoption" programme, where selected Departments and State Agencies are guided and advised on ways to improve their financial management. The report also expressed concern over the State's land management.

It said of the 174 applications for land conversion last year, only 29 per cent was processed within the four months' time period set by the State Government. Delay was caused by technical difficulties, which included an insufficient number of staff to handle land matters.

It took the Kuala Terengganu Municipal Council and the Evaluation and Properties Services Department up to 270 days to reply to an application, far longer than the required four months.

In the report, the Auditor-General suggested a joint monitoring mechanism between the Land Office and the technical department to avoid delays in processing the applications.

### **Selangor: White elephants abound**

THE Kampung Idaman food court in Klang serves no food. It is now a car park, having failed to attract stall holders. The food court, built at a cost of RM180,000, is one of seven food establishments that failed to attract tenants. These failed projects included the Kapar fruits stalls, built at a cost of RM666,000, the Jalan Meru Big Market (RM19 million) and the Pandamaran Baru market (RM2.2 million). The report also said a delay in building two slaughter houses in Selangor would cost the State Government an additional RM21 million. The original cost was RM8 million.

### **Kedah and Penang: 40 years to process a land application**

IT took 40 years for the Kedah Government to process one application for land. This happened despite employing the MS ISO 9002 standards procedure, under which it was supposed to handle applications for government land within nine months.

The Auditor-General said in his report on Kedah that only one application had reached the State Land Committee within the stipulated time of nine months.

All other applications took longer than nine months, with the longest taking about 40 years to complete. It was submitted in 1964 and approved between 2002 and 2004. The report said there were 127 applications — submitted between 1969 and 1979 — yet to be processed.

Another 144 applications submitted between 1980 and 1989, and 305 submitted between 1990 and 1999, were still being processed. In addition, 38 applications made between 1999 and 2004 were also under process. The Auditor-General found similar delays at the Penang land and mines office involving strata titles.

Strata title applications were supposed to be processed within 11 months.

During the audit, it was found that 40 per cent of applications were between one and 15 months late. About 18 per cent of the applications had yet to be processed even after more than two-and-a-half years. The report said the office had failed to penalise the developers involved because it had no officer to start prosecution.

While many of the delays were caused by building owners who did not apply for titles or delayed applying, a check on the enforcement department revealed that only 13 landowners had been charged in court between 1999 and 2005 while another 10 cases were withdrawn.

Of these cases, five were withdrawn because the court found that the proceedings were too frequently delayed and the trials were taking too long.

### **Perlis: Low-cost home projects delayed**

BUYERS of some low-cost houses have had to wait up to two years to get the keys to their units as projects encountered delay.

Some of the completed projects, meanwhile, were left vacant and this caused damage to

the units. As a result, the State Government had to allocate a hefty sum for repair works.

These findings were contained in the Auditor-General's Report 2005 on State Governments. The Auditor-General opined the states housing unit should have demonstrated greater efficiency in managing the projects. He said part of the inefficiency could be traced to the appointment of irresponsible contractors and delayed work orders.

Some of the affected projects, among others, were Chuping Phase 1 and Phase II, Kangar Phase V, Tambun Tulang and Beseri Paya III. The Auditor-General also noted shortcomings at some of the housing projects such as poor landscaping, lack of infrastructure, vandalism and sub-standard units.

He commended the State Government's intention to provide houses for the poor but felt its distribution should have been expedited.

Under the Eighth Malaysian Plan, about 6,700 low-cost houses were built in the State at cost of RM196 million.

### **Malacca: Landscaping programme successful**

THE State's efforts to beautify the landscapes have proved successful as tourists are singing their praises, according to the Auditor-General's report. The State recorded 4.59 million tourist arrivals last year, a 17.2 per cent increase over 2004.

The State's bookkeeping earned a Clean Certificate from the Auditor-General, who praised it for its complete and up-to-date accounts of the State's expenditure. The certificate is only given to agencies that have managed their records in accordance with the International Accounting Standards. The State Treasury, agriculture department and the Jasin district and land offices also earned special mention for the great improvement in their finances.

The report said the Malacca Government had fulfilled its mission to attract more tourists to the State. However, the report expressed dissatisfaction with several landscaping contracts given out. It said several contractors had failed to comply with the terms of their contract and that the local authorities had failed to keep track of contractual documents with regards to purchases of flowers, trees and other landscaping equipment.

Vandalism also affected several landscaping projects, with plants uprooted, decorative pots broken and electrical items destroyed, as in the case of the construction of the Bukit Sebukur artificial waterfall. Malacca was also dogged by delays in the completion of several projects, some of which were leftovers from the Seventh Malaysia Plan. Up to December last year, only 51 out of 186 projects had been fully completed, while 89 had yet to start.

