

1. It's official: No Tony Pua for 1MDB debate

KUALA LUMPUR: It's confirmed: Tony Pua will not be taking part in the much-anticipated debate with 1Malaysia Development Bhd (1MDB) chief Arul Kanda. Instead, DAP will propose another candidate to replace Pua. Announcing this today, DAP secretary-general Lim Guan Eng said this was because they wanted to safeguard Pua's roles as both member of parliament and within the Public Accounts Committee. "The debate will go on but if he (Pua) participates in it, it will jeopardise his position and without him, we will lose a seat in PAC. I will not let that happen," he told reporters at the Parliament lobby today. Lim said Pua's replacement will be decided upon at a meeting this evening. Lim said DAP, PKR and Parti Amanah Negara will each suggest a candidate from their respective parties "I am confident that the replacement will be able to debate Arul Kanda. "We will announce the chosen name later today or tomorrow," he said.

2. Air Selangor to settle RM902m debt owed to Fed Govt

SHAH ALAM: Pengurusan Air Selangor Sdn Bhd (Air Selangor) will be settling a debt of RM902.54 million owed to the Federal Government for the water industry. Selangor Menteri Besar Azmin Ali (PKR-Bukit Antarabangsa) told the state assembly earlier today that Air Selangor will be paying off the amount through the leasing of water facilities by Pengurusan Aset Air Berhad (PAAB). "In the privatisation of water concessionaire between the Federal and Selangor governments and Syarikat Bekalan Air Selangor (Syabas), the amount was transferred to Syabas. One of the conditions was Syabas was required to settle the loan with the Federal government according to a schedule that had been fixed. "However, when the restructuring of the water services industry took place in Selangor, the loan now comes under the responsibility of Air Selangor," said Azmin. Azmin said this when replying to a supplementary question posed by Ng Suee Lim (Sekinchan) who had asked about the status of the debt.

3. Clinics and hospitals must give treatment regardless of dress

KUALA LUMPUR: There were no instructions given to government clinics and hospitals to refuse treatment to patients wearing shorts, said Deputy Health Minister Datuk Seri Dr Hilmi Yahaya. He told reporters at a blood donation event organised by Malay Colleges Old Boys' Association (MCOBA) today that it was the function of clinics and hospitals to give treatment, regardless of what the patient wears. This follows an incident last week where two government clinics and a

hospital refused to give a child treatment because his mother wore shorts. "There has never been any directive to deny treatment based on dressing. This is just the clinic's sentiments. Patients just have to dress decently enough to be in public," he said. Hilmi added that dressing was not a condition for a patient to receive treatment. "Islam has its rules on its followers so it is not an issue. For non-Muslims, just dress decently. There should not be any problems," he said. It was reported by China Press that a boy in Saleng, Johor Baru, was denied treatment at a clinic after cutting his finger, the clinic citing the reason being due to his mother wearing shorts. They proceeded to go to another Malaysia clinic and then Kulai Hospital, where they were denied treatment again both times before finally being treated at a private clinic. When asked whether the ministry would investigate the matter, Hilmi declined to say so whether an investigation would be made.

NEW STRAITS TIMES Sunday, 8 November, 2015

4. Mara approves RM57.7m in loans to 547 entrepreneurs in Tganu

KUALA TERENGGANU: Majlis Amanah Rakyat (MARA) has approved RM57.7 million in loans to 547 entrepreneurs in Terengganu from January to October this year. Terengganu MARA Director, Salemi Yusof, said for 2014, the agency approved RM71 million in loans to 757 entrepreneurs. He said the borrowers had paid back RM50 million to MARA and by year-end the agency expected to collect RM60 million. "MARA Terengganu has no problems about the repayments from the borrowers. "When the borrowers' repayments are consistent, the loans can be made to other borrowers to help them in their businesses," he said at a gathering of Terengganu MARA entrepreneurs yesterday. State Chairman of Rural Development, Entrepreneurs, Cooperatives and Consumerism, Roslee Daud, officiated the function. Meanwhile, Roslee said, the state government was committed in its efforts to develop entrepreneurs who were dynamic and competitive. "To be successful, the entrepreneurs must change their attitude to be more positive and keen to increase their knowledge in various aspects of business management," he said. --Bernama

NEW STRAITS TIMES Saturday, 14 November, 2015

5. BNM probe into 1MDB shows administrative problems, no criminal elements

KUALA LUMPUR: The findings of Bank Negara Malaysia's (BNM) probe into 1Malaysia Development Berhad (1MDB) indicated administrative problems rather than elements of criminality, 1MDB president and group executive director Arul Kanda Kandasamy said today.

Arul said the central bank's full report on the probe had been submitted to the Attorney-General's office, which has already explained why no criminal proceedings have commenced against the controversial strategic development firm.

"The Attorney-General's chambers have given their full reasons why there was no criminal element found (in the BNM report)."

"We admit that there have been some administrative problems which BNM has asked us to rectify. We respect their authority so we will do our best to comply.

"What's important is that the issues (in 1MDB) are administrative, rather than criminal," Arul said at a briefing held for Umno leaders here today.

BNM had last month revoked three permissions granted to 1MDB for investments abroad worth US\$1.83bil (RM7.58bil), which the central bank said was obtained based on inaccurate or incomplete disclosure of information.

It had also issued a directive under the Financial Services Act 2013 to 1MDB to return the US\$1.83bil to Malaysia and to submit a plan to the Bank for this purpose.

Arul admitted that 1MDB was currently the most investigated state fund in the country, with five agencies - BNM, the police, the Malaysian Anti-Corruption Commission, the Auditor-General, and the Public Accounts Committee - launching separate probes.

"At this moment, we (1MDB) are an open book. But to be able to read an open book, we need an open mind," he said.

The briefing, attended by around 2,000 people, was held to discuss issues related to 1MDB, the Trans-Pacific Partnership Agreement and the 2016 Budget.

NEW STRAITS TIMES Thursday, 19 November, 2015

6. No more press conferences after PAC hearings

KUALA LUMPUR: Effective Nov 23, there will be no more press conferences after Public Accounts Committee (PAC) hearings. This was following news reports made after PAC chairman Datuk Hasan Arifin had made a "cari makan" (make a living) remark, which was made in jest on Wednesday.

"As PAC chairman, I express disappointment that my efforts to create a warm atmosphere among media practitioners were not appreciated by them.

"Even though I had told them not to write about the joke I made during a press conference on Nov 18, there were still some media personnel who reported it in their news portals and news papers.

"Therefore, beginning the next PAC meeting on Nov 23, we will not hold any more press conferences. Should there be any information that we want or need to tell the media, it will be done so through an official written reply," he said in a statement here, today.

The Rompin member of Parliament had said that there was no need to call Prime Minister Datuk Seri Najib Razak to attend the PAC proceedings on 1Malaysia Development Bhd, scheduled to start next week. When pressed by reporters whether Najib would be called to give a statement, Hasan had said in jest that he, too, needed to earn a living.

NEW STRAITS TIMES Monday, 23 November, 2015

7. AG's Report: ST15 rice subsidy did not reach low-income group

KUALA LUMPUR: A recently-scrapped rice subsidy programme by the Ministry of Agriculture and Agro-based Industry (MoA) did not reach the targeted low-income earners, according to the third and final series of Auditor-General's Report 2014.

The rice was instead bought by foreigners, restaurant and food stalls, as well as to feed pets, in addition to actually being more expensive than its control price in Sarawak, said the report, which was released today.

"An audit carried out between March and July 2015 revealed that the achievement of one of the main objectives of the programme which is to benefit the target group to purchase rice at cheaper prices has not been fully achieved.

"It was due to the total quota issued specifically for the target group, subsidised rice was purchased by foreigners, restaurant and food stalls and to feed pets which resulted in the unavailability of subsidised rice in the retail market."

MoA announced on Nov 1 that it had abolished the subsidy for the Super Tempatan 15 per cent broken (ST15) grade rice following much leakages in the programme.

The programme introduced in 2008 was meant to cover losses incurred by Malaysia's sole rice distributor Padiberas Nasional Bhd to procure and distribute ST15 and S15 rice.

NEW STRAITS TIMES Monday, 23 November, 2015

8. AG's Report: 24 ministries' financial performance declines

KUALA LUMPUR: The National Audit Department's audit on 24 ministries revealed that their overall financial performance has declined compared to the previous two years. There were 20 ministries rated as excellent against 23 ministries in 2013 and 22 ministries in 2012, the Auditor General Report 2014 released today showed. The performance of 51 federal departments, meanwhile, has increased with a total of 29 (56.9 per cent) rated as excellent last year compared to 21 (46.7 per cent) out of 45 departments in 2013 and 21 (53.9 per cent) out of 39 departments in

2012. Meanwhile, four ministries and 22 departments were rated as good. General hospitals in 14 states and 13 branches of the Department of Fisheries nationwide were also audited. Audit was also carried out in 10 Malaysian diplomatic missions abroad under the purview of the Ministry of Foreign Affairs. The National Audit Department also carried out surprise checks at 244 federal departments/offices at state and district levels. The findings revealed that a number of offices did not fully comply with the stipulated financial regulations. These included mail registers, cash books and petty cash books which were not properly maintained or updated accordingly, surprise inspections which were not conducted as required and payment vouchers which were not supported by relevant documents. The reports were submitted to relevant heads of department at headquarter and state level for further actions.

NEW STRAITS TIMES Monday, 23 November, 2015

9. KWAP has no investments in Mongolia, says PM

KUALA LUMPUR: Prime Minister Datuk Seri Najib Razak has denied that the Retirement Fund Incorporated (KWAP) has investments in Mongolia. Najib, in a written reply to Datuk Johari Abdul (PKR-Sungai Petani) today, stated that the body's domestic and international investments stood at RM117.75 billion for a period of five years from 2010 to Sept 2015. "KWAP has RM39.05 billion in equity, RM29.32 billion in loans and private debt securities, RM29.10 billion in government securities and RM6.16 billion in money market deposit accounts." He said the fund also has invested RM109 billion in property, RM1.12 billion in private equities, RM5.18 billion in international equities, RM2.82 billion in international fixed income and RM3.91 billion in international property. "As of Sept 2015, KWAP does not have any investments in Mongolia," said Najib. Johari had asked Najib to state all international and local KWAP investments and its amount, and whether the fund had invested in Mongolia.

NEW STRAITS TIMES Tuesday, 24 November, 2015

10. A-G's Report: N. Sembilan completed all RMK10 development projects

SEREMBAN: The Negri Sembilan state government's public debt increased by 3.3 per cent in 2014, according to the Auditor General Report 2014. The report stated that the debt had increased by RM29.4 million to RM912.69 million in 2014, compared to RM883.29 million in the previous year. Outstanding public debt repayments had also increased in 2014 by RM34.86 million or 31.3 per cent, to RM146.24 million compared to RM111.38 million in 2013. The report however said the state's revenue arrears had decreased significantly in 2014. Negri Sembilan's revenue arrears was recorded at RM58.52 million, which saw a 39.7 per cent drop compared to RM147.43 million in 2013. The report said the consolidated fund recorded an increase of RM47.47 million or 10.3 per cent to

RM506.36 million in 2014 compared to RM458.89 million in 2013. Negri Sembilan's consolidated revenue also recorded a surplus of RM21.58 million in 2014 compared to the previous amount of RM249.59 million in 2013. Recoverable loan balance increased by RM4.01million or 7.1per cent to RM60.37million in 2014 compared to RM56.36 million in 2013. The report said the state government had successfully accomplished development projects under the 10th Malaysian Plan throughout 2014. "All 151 development projects has been completed and a total of RM101.9 million or 95.3 per cent of the approved allocation amounted to RM106.2 million were spent."

NEW STRAITS TIMES Tuesday, 24 November, 2015

11. PAC to summon six ministries for poor performance in A-G's Report

KUALA LUMPUR: The Public Accounts Committee (PAC) will haul up officials from six ministries for poor performance, as reported in the 2014 Auditor-General's Report.

PAC chairman Datuk Hasan Ariffin said among those will be called for PAC proceedings are those from the Agriculture and Agro-based Ministry, Rural and Regional Development Ministry, Education Ministry, Works Ministry, Health Ministry, as well as the Home and Defence ministries.

"We are very dissatisfied with the ministry bodies' management performance for last year.

"From the report, the number of ministry agencies including federal departments and statutory bodies receiving three-star and four-star ratings have gone down," he said.

NEW STRAITS TIMES Tuesday, 24 November, 2015

12. AG's Report: S'gor subsidiary suffered whopping 600 per cent loss in 2014

SHAH ALAM: The Auditor General's report on Selangor found that the financial performance of state subsidiary PNSB Development Sdn Bhd (PDSB) to be unsatisfactory as it had suffered a drastic loss of 621.2 per cent in 2014 compared to 2013.

The loss before tax for PDSB, a wholly-owned subsidiary of Permodalan Negeri Selangor Bhd (PNSB) increased drastically by RM19.94 million in 2014 compared to 2013 where it recorded profit before tax at RM3.21 million.

The audit carried out from May to July 2015 revealed that PDSB did not have a main source of income throughout 2014 and its expenditure was disproportionate to its income.

An audit on the Selangor Islamic Religious Council (MAIS) from April to July 2015 also found that the overall management of waqf property by the council to be unsatisfactory.

Among the audit's findings were that the Waqf Property Register was incomplete and not updated, 27.5 per cent of waqf properties' ownership had not been registered under MAIS, 87.6 per cent of waqf properties registered under MAIS had not been gazetted, and the benefit of 75.3 per cent of waqf properties remained untapped.

It was also discovered that development projects were not implemented according to plan, there was a delay in implementing istibdal (substitute of a waqf property), rental management was unsatisfactory and monitoring of waqf properties were unsatisfactory as some of the waqf land were left idle without bringing any benefit and thus led to trespassing.

NEW STRAITS TIMES Tuesday, 24 November, 2015

13. AG's Report: 40 per cent of Johor waqf land yet to receive title deeds

JOHOR BARU: The Auditor-General's Report 2014 said a total of 1,554 of 3,868 waqf land sites in Johor or 40.2 per cent, have yet to receive title deeds.

There were delays in the process of obtaining waqf land titles ranging from one year to 22 years, and waqf land and property information were incomplete, inaccurate and not updated, the report said. Waqf lands were also not maintained and were intruded upon by irresponsible individuals.

Among the recommendations made was for the Waqf Division under the Johor Islamic Religious Council (MAINJ) to take immediate action and apply for title deeds of waqf land and properties to avoid disputes.

"There must be regular follow-up reviews with the district Land Offices and Johor Land and Mines Office to identify the current status of the applications," the report said.

"Place signboards mentioning the ownership of the said land to MAINJ on all waqf land, investigate intruders of waqf land and take immediate action in order to safeguard the donors' interest and the image of waqf land," it said.

NEW STRAITS TIMES Tuesday, 24 November, 2015

14. AG's Report: Perak told to set up entity to control Bumi interests in property ownership

IPOH: The Auditor-General has proposed that a special entity be established to control Bumiputera interests in property ownership. An audit conducted between Jan and March this year showed that from 30 per cent of houses or 2,120 units allocated for Bumiputera, only 19 per cent or 412 units were sold while the balance of 1,708 or 81 per cent were applied to be released. The report also

found the management of wakaf properties needed to be improved due to weaknesses. The A-G recommended the Islamic Religious Council and Perak Malay Customs provide a list of wakaf properties, gazette them and collect arrears in order to maintain wakaf properties and to develop any potential properties. On the quarters management by the Public Works Department (PWD), the A-G said maintenance of the quarters was not comprehensive. The A-G recommended that the PWD prepare guidelines for the management of quarters and to ensure that the quarters register are always maintained and updated. "The department should also monitor regularly and conduct periodic inspections to ensure these quarters are in good condition, monitor rental payment according to specified rules, maintain vacant quarters and also repair or demolish damaged quarters," it said. On the management of public housing, the A-G said three out of four projects planned under 10th Malaysia Plan had yet to be completed. "There were also high arrears on rental amounting to RM8.7 million" it said.

NEW STRAITS TIMES Tuesday, 24 November, 2015

15. AG's Report 2014: Sarawak's SIMC project implementation 'unsatisfactory'

KUCHING: The Auditor-General (AG), in its third and final report for this year, took to task the management of the state government's investment arm in the development of Sarawak International Medical Centre (SIMC), which has been converted into Sarawak Heart and Cancer Hospital. It was pointed out that the objective of implementing the SIMC project, which was supposed to be the regional medical hub in Southeast Asia, has yet to be achieved since the centre was later leased to the Health Ministry. Sarawak Specialist Hospital and Medical Centre Sdn Bhd (SSHMC), wholly-owned by the State Financial Secretary Incorporated (SFS Inc), leased the project to the ministry to turn the centre into a general hospital to benefit more people. "A lack in planning and management led to the original objective and vision of the project not being achieved," said the report. The AG also pointed out that the delay in the completion of the project resulted in the escalation of the development cost to RM534.38 million from RM390.15 when the contract was offered to a consortium comprising Sesco Engineering Sdn Bhd (SE) and Austria-based Vamed Engineering GmbH and Co. KG (Vamed) in Dec 20,2002. An audit also showed that the Settlement Agreement signed between SSHMC and the consortium to mutually end the contract in June 17, 2010 did not protect the interest of the Sarawak government following the waiver of Liquidated and Ascertained Damages (LAD).

NEW STRAITS TIMES Tuesday, 24 November, 2015

16. AG's Report: Penang's revenue down by RM34m

GEORGE TOWN: Revenue collection in Penang last year saw a dip compared to 2013. Revenue collected in 2014 decreased by RM34.01 million or 4.1 per cent compared to 2013, from a total of RM833.72 million to RM799.71 million. The 2014 Auditor General's Report on Penang recommended that the state government maintained the performance of increased revenue and prudent spending to sustain its good financial position. The report also said the state government could further

increase its revenue by ensuring higher dividend returns from investments. It also recommended that the state government make continuous effort to collect RM79.60 million of revenue arrears as at Dec 31, last year which comprises quit rent, repayment of student loans, instalments or rental of house and shops as well as other revenue. According to the report, the state government spent RM192.34 million or 80.5 per cent for development plans compared to an approved allocation of RM239.07 million. A total of 2,856 or 99.3 per cent of the 2,875 planned projects were successfully implemented while the remaining 19 were either at the progress stage, yet to commence or delayed projects.

NEW STRAITS TIMES Tuesday, 24 November, 2015

17. AG's Report: Sarawak, Fed govts urged to resolve Tebedu security issues

KUCHING: The Federal and Sarawak governments have been urged to resolve trade and security issues which were identified as the stumbling blocks towards the implementation of the Tebedu Industrial Estate (TIE), supposed to be developed between the Sarawak-Kalimantan border. In the Third Series of the 2014 Auditor-General's (AG) Report released today, both parties were also warned that the initiatives, approved 18 years ago, will end up as a "white elephant" if the issues are not ratified. Located about 90km from here, the TIE project, with a ceiling value of RM124.47 million approved under the Eighth and 10th Malaysia Plans, was aimed at promoting economic cooperation between entrepreneurs in Tebedu (Sarawak) and Entikong (Kalimantan) to create job opportunities and strengthen socio-economic development at the border. The project's target, the report said, to improve and promote economic activity by creating employment opportunities and development in manufacturing industry at Tebedu, has not been achieved. "The survey and soil investigation works were not comprehensive, which caused an increase in the rock blasting cost. This also resulted in the site clearing and land filling works unable to be carried out according to the scope of work specified in the contract. "The project failed to complete on schedule and its financial performance is unsatisfactory," the report said, adding that the project cost increased by RM3.83 million from the original cost of RM61.3 million. The AG recommended that the Federal and state governments meet its Indonesian counterpart to resolve the problems apart from urging the Sarawak Industrial Development Ministry, which has been tasked with developing the project, to strengthen its capacity in project management.

NEW STRAITS TIMES Tuesday, 24 November, 2015

18. Sabah govt shows improvement in 2014 AG's Report

KOTA KINABALU: The Sabah state administration registered a marked improvement in its financial management capabilities last year, according to the third edition of the 2014 Auditor General's Report. Of 35 entities audited, 24 were given top marks while 11 others, a rung below in the four tiered rating system used by the National Audit Department. The bottom tier marked red were for 'poorly managed' while second from the bottom for those with achievements deemed satisfactory.

According to the report, the state's financial management was good but there was room for improvement on certain aspects which could further enhance its performance. Among the key points raised in the report were the need for hands-on involvement from heads of department in financial management matters, surcharges for delayed settlement of revenues and continuous training for officers who handle financial matters.

NEW STRAITS TIMES Tuesday, 24 November, 2015

19. AG's Report: Over RM220bil revenue collected by Fed Govt

KUALA LUMPUR: The Federal government collected RM220.63 billion in revenue last year, up RM7.256 billion or 3.4 per cent over the RM213.370 billion in 2013, according to the Third Series of the 2014 Auditor-General's Report. Tax revenue and non-revenue receipts rose while non-tax revenue and revenue from the Federal Territories declined, said the Auditor General in a statement on the financial management and activities of the Federal government and its statutory bodies as well as state governments. The report was tabled in Parliament today. Much of the rise in revenue was contributed by individual and company income tax; licences, registration fees and permits; excise duty on imported goods; and sales tax on domestic manufactured goods, he said. The stable expansion of the domestic economy as well as continuous enforcement activities by the Inland Revenue Board and Royal Malaysian Customs Department also contributed to the revenue increase, he added. However, petroleum income tax collection as well as interest and returns on investments declined compared to 2013 due to the fall in crude petroleum prices and lower dividends from government companies. Overall, the National Audit Department found good financial management of agencies in 2014, with 172 ministries, departments and agencies receiving a four-star rating ('Very Good') compared with 194 in 2013 and 143 in 2012. A total of 69 performance audits and 16 audits were carried out on Federal and state government companies as well as Federal statutory bodies covering construction, maintenance, acquisition, revenue management and company management. The contents of the Auditor-General's Report and its synopsis are available at <http://www.audit.gov.my> while a town hall session with the media will be held on Dec 2, 2015 at the Public Services Department Auditorium Complex C, Putrajaya - BERNAMA

NEW STRAITS TIMES Tuesday, 24 November, 2015

20. Auditor General's Report: NSC urged to change its operating procedures

KUALA LUMPUR: The National Sports Council (NSC) has been instructed by the Auditor General's Office to take action against contractors and consultants engaged in infrastructure projects for various breaches of contract.

Although the Youth and Sports Ministry is not one of the six ministries to be hauled up by the Public Accounts Committee (PAC) for poor performance as reported in the Auditor General's Report for 2014 yesterday, the NSC has been instructed to make several fundamental changes in their operating procedures.

The Auditor General's Report on the NSC centred around the construction, renovation, upgrading and maintenance conducted on eight of its facilities nationwide, for which the government allocated a budget of RM57.3 million between 2006 and 2011.

Additionally, the NSC had allocated RM23.26 million for the management and maintenance of its sports complexes.

The Auditor General's Report on the NSC highlighted a consistent trend of delays and increases in cost.

The NSC Complex in Wangsa Maju not only saw a delay of 323 days upon completion, it also incurred an additional cost of RM8.74 million, more than 100 per cent of the actual cost with the termination of two contractors due to changes in the work scope.

Similar issues were evident in the upgrading of the NSC Complex in Kuala Rompin and the NSC Athletes Shooting Centre in Bukit Jalil.

The three projects were undertaken at a cost of RM24.18 million.

The delays were also found to be due to delays in payment, while maintenance issues also arose in five other NSC facilities, while some contracts were also found to have been breached.

Other areas where discrepancies were found include the purchase of equipment that was not up to specification.

The Auditor General recommended that the NSC monitor the work of contractors and consultant services to ensure work is done in accordance to specifications, quality standards and completed within the projected timeframe.

Contractors who have breached their contracts should also face action from the NSC, as recommended by the Auditor General's Office.

The Auditor General also advised the NSC to ensure that equipment purchased should be utilised optimally to avoid wastage.

Finally, the NSC has been advised to ensure financial regulations and guidelines are adhered to, to improve efficiency in its payment process.

21. Auditor General's Report 2014: Subsidised rice did not reach target

KUALA LUMPUR: A recently-scrapped rice subsidy programme by the Ministry of Agriculture and Agro-based Industry (MoA) did not reach the targeted low-income earners, according to the third and final series of Auditor General's Report 2014.

The rice was instead bought by foreigners, restaurant and food stalls, as well as to feed pets, in addition to actually being more expensive than its control price in Sarawak, said the report, which was released today.

"An audit carried out between March and July 2015 revealed that the achievement of one of the main objectives of the programme which is to benefit the target group to purchase rice at cheaper prices has not been fully achieved.

"It was due to the total quota issued specifically for the target group, subsidised rice was purchased by foreigners, restaurant and food stalls and to feed pets which resulted in the unavailability of subsidised rice in the retail market."

MoA announced on Nov 1 that it had abolished the subsidy for the Super Tempatan 15 per cent broken (ST15) grade rice following much leakages in the programme.

The programme introduced in 2008 was meant to cover losses incurred by Malaysia's sole rice distributor Padiberas Nasional Bhd (Bernas) to procure and distribute ST15 and S15 rice.

Some RM3.34 billion was allocated to finance the programme from 2008 to 2014 through 1,654 contracts signed between the Government and Bernas

22. AG's Report: MUIP's hotel operating without licence

KUANTAN: The Pahang Religious and Malay Customs Council (MUIP) has been operating a hotel without a licence for three years, the Auditor-General has discovered.

The Auditor-General's report for last year showed that the operating licence for MUIP-owned Darul Makmur Lodge had yet to be approved despite being in operation.

The report stated that several other weaknesses were identified during an audit carried out between April and July, this year, on two hotels including the lodge and another owned by Pahang Agriculture Development Authority (LKPP).

The report pointed out that the management by MUIP and LKPP in the hotel and resort industry was unsatisfactory as there were no preparations of strategic planning regarding the hotel business and the managerial structure of the hotels was not up to par.

Among other weaknesses included low room sales performance, continued accumulation of loss and low investment returns.

To ensure the state government's investment in the hotel and resort industry was efficient, the Auditor-General recommended for MUIP and LKPP to prepare a short- and long-term strategic planning to ensure the direction it was going, and which could offer returns on the investment, create an efficient, strong managerial structure by including governmental agencies with the expertise in the hotel industry.

Another solution, the report proposed, would be to hold continuous promotion and make marketing plans to increase the number of room bookings and subsequently generate more income to sustain expenditure.

The report revealed that the involvement of government agencies in the respective industry is rare because it demanded a high management cost and distinct expertise but MUIP and LKPP had embarked on the hotel and resort sector to diversify their business.

NEW STRAITS TIMES Wednesday, 24 November, 2015

23. Auditor General's Report 2014: Subsidised rice did not reach target

KUALA LUMPUR: A recently-scrapped rice subsidy programme by the Ministry of Agriculture and Agro-based Industry (MoA) did not reach the targeted low-income earners, according to the third and final series of Auditor General's Report 2014.

The rice was instead bought by foreigners, restaurant and food stalls, as well as to feed pets, in addition to actually being more expensive than its control price in Sarawak, said the report, which was released today.

"An audit carried out between March and July 2015 revealed that the achievement of one of the main objectives of the programme which is to benefit the target group to purchase rice at cheaper prices has not been fully achieved.

"It was due to the total quota issued specifically for the target group, subsidised rice was purchased by foreigners, restaurant and food stalls and to feed pets which resulted in the unavailability of subsidised rice in the retail market."

MoA announced on Nov 1 that it had abolished the subsidy for the Super Tempatan 15 per cent broken (ST15) grade rice following much leakages in the programme.

The programme introduced in 2008 was meant to cover losses incurred by Malaysia's sole rice distributor Padiberas Nasional Bhd (Bernas) to procure and distribute ST15 and S15 rice.

Some RM3.34 billion was allocated to finance the programme from 2008 to 2014 through 1,654 contracts signed between the Government and Bernas.

24. Auditor General's Report: NSC urged to change its operating procedures

KUALA LUMPUR: The National Sports Council (NSC) has been instructed by the Auditor General's Office to take action against contractors and consultants engaged in infrastructure projects for various breaches of contract.

Although the Youth and Sports Ministry is not one of the six ministries to be hauled up by the Public Accounts Committee (PAC) for poor performance as reported in the Auditor General's Report for 2014 yesterday, the NSC has been instructed to make several fundamental changes in their operating procedures.

The Auditor General's Report on the NSC centred around the construction, renovation, upgrading and maintenance conducted on eight of its facilities nationwide, for which the government allocated a budget of RM57.3 million between 2006 and 2011.

Additionally, the NSC had allocated RM23.26 million for the management and maintenance of its sports complexes.

The Auditor General's Report on the NSC highlighted a consistent trend of delays and increases in cost.

The NSC Complex in Wangsa Maju not only saw a delay of 323 days upon completion, it also incurred an additional cost of RM8.74 million, more than 100 per cent of the actual cost with the termination of two contractors due to changes in the work scope.

Similar issues were evident in the upgrading of the NSC Complex in Kuala Rompin and the NSC Athletes Shooting Centre in Bukit Jalil.

The three projects were undertaken at a cost of RM24.18 million.

The delays were also found to be due to delays in payment, while maintenance issues also arose in five other NSC facilities, while some contracts were also found to have been breached.

Other areas where discrepancies were found include the purchase of equipment that was not up to specification.

The Auditor General recommended that the NSC monitor the work of contractors and consultant services to ensure work is done in accordance to specifications, quality standards and completed within the projected timeframe.

Contractors who have breached their contracts should also face action from the NSC, as recommended by the Auditor General's Office.

The Auditor General also advised the NSC to ensure that equipment purchased should be utilised optimally to avoid wastage.

Finally, the NSC has been advised to ensure financial regulations and guidelines are adhered to, to improve efficiency in its payment process.

25. AG's Report: MUIP's hotel operating without licence

KUANTAN: The Pahang Religious and Malay Customs Council (MUIP) has been operating a hotel without a licence for three years, the Auditor-General has discovered.

The Auditor-General's report for last year showed that the operating licence for MUIP-owned Darul Makmur Lodge had yet to be approved despite being in operation.

The report stated that several other weaknesses were identified during an audit carried out between April and July, this year, on two hotels including the lodge and another owned by Pahang Agriculture Development Authority (LKPP).

The report pointed out that the management by MUIP and LKPP in the hotel and resort industry was unsatisfactory as there were no preparations of strategic planning regarding the hotel business and the managerial structure of the hotels was not up to par.

Among other weaknesses included low room sales performance, continued accumulation of loss and low investment returns.

To ensure the state government's investment in the hotel and resort industry was efficient, the Auditor-General recommended for MUIP and LKPP to prepare a short- and long-term strategic planning to ensure the direction it was going, and which could offer returns on the investment, create an efficient, strong managerial structure by including governmental agencies with the expertise in the hotel industry.

Another solution, the report proposed, would be to hold continuous promotion and make marketing plans to increase the number of room bookings and subsequently generate more income to sustain expenditure.

The report revealed that the involvement of government agencies in the respective industry is rare because it demanded a high management cost and distinct expertise but MUIP and LKPP had embarked on the hotel and resort sector to diversify their business.

26. 1MDB didn't have direct effect on domestic investments

KUALA LUMPUR: The issues surrounding 1Malaysia Development Bhd (1MDB) did not have a directly effect on domestic investments, the Dewan Rakyat was told today.

Deputy Finance Minister Datuk Johari Abdul Ghani, however, noted that negative sentiments could play a role.

"If we were to relate 1MDB directly with the ringgit's fall, it is inaccurate. But if (we look at) negative sentiments, then yes.

"Whenever there is negative sentiment, it will somehow affect domestic investments, and investors do not like uncertainty," he said.

He said apart from investor sentiment, other factors which contributed to currency depreciation included the global economy and high demand for the (US) dollar, which would put a pressure on the ringgit.

"1MDB's failure to list its assets through an initial public offering (IPO) and secure bank loans to develop its land was due to the negative perception locally and at international level. Due to this, banks were reluctant to approve loans for this purpose. To overcome these challenges, 1MDB had carried out strategic reviews and had to implement a rationalisation plan to restructure its debts of about RM42 billion.

"It is done through, among others, selling its stake in Edra Global Energy Bhd with a total price (including debt assumed by the buyer) more than RM17 billion; selling of Bandar Malaysia assets which will bring between RM10 billion and RM15 billion revenue; as well as the binding term sheet executed with International Petroleum Investment Co (IPIC) that would see a further reduction of RM16 billion in debt," he said in reply to a question by Siti Zailah Mohd Yusoff (Pas-Rantau Panjang).

Johari said 1MDB was faced with the issue of an unsustainable business model with its accumulated debts caused by cash flow "mismatch" as the strategic development company failed to be publicly listed.

This, he said, resulted in its inability to pay for its principal loans and interests on time.