

**1. MoF Inc on 1MDB: Board of directors' resignation accepted, Arul still president**

PUTRAJAYA: The Minister of Finance Incorporated (MoF Inc) today announced its agreement to fully implement recommendations made on 1Malaysia Development Bhd (1MDB) in the Public Accounts Committee report. It said that MoF Inc, as the 100 per cent shareholder of 1MDB, made the decision after a detailed study and due deliberation. It said it has accepted the resignation of the 1MDB Board of Directors, effective May 31, 2016. "MoF Inc. will appoint new board members in due course, to reflect the limited business profile of 1MDB," it said in a statement today. It added Arul Kanda would remain in his role as 1MDB president until further notice. "He will continue to focus on his specific mandate to implement the rationalisation plan, which will include resolution of the recent contractual dispute with IPIC (International Petroleum Investment Company)." The detailed PAC Report recommendations, are as follows: " Transfer of ownership of Bandar Malaysia Sdn. Bhd., TRX City Sdn. Bhd., Air Itam lands and Pulau Indah land to MoF Inc; " Dissolution of the 1MDB Board of Advisors, and, " Removal of Article 117 and change of all references from "Prime Minister" to "Minister of Finance", in the 1MDB Memorandum and Articles of Association.

**2. Work hard to bridge development gap between Peninsula, Sabah and Sarawak, says Najib**

PUTRAJAYA: Civil servants must work hard to bridge the developmental gap that exists between the Peninsula and Sabah as well as Sarawak. Prime Minister Datuk Seri Najib Razak said, closing the gap must be a main agenda to be addressed within a certain period. He said the government's plans and goals must be made clear to the people. "We have shown that we have plans; execute such plans and deliver them. The implementation of the development plans must be felt until the grassroots level," he said at the Prime Minister's Department's monthly gathering today. Najib said by delivering these plans, the people could see that the government always keeps its promises. Following the landslide win in the recent Sarawak election, the prime minister reminded all that one had five years to fulfill what had been promised. "Five years will fly by fast and the people in Sarawak will appraise us again." No one in Sabah and Sarawak should be left without any basic amenities, he added. "It is morally wrong not to act on this. We need to find creative solutions and use suitable technologies to provide such facilities that comply to the Public Works Department's standards," Najib said. Despite the economic uncertainty, crude oil price slump and prices of commodities down, two crucial steps taken by the government with the implementation of the Goods and Services Tax (GST) and subsidy rationalisation has helped to strengthen the economy and cushion the financial implications, Najib said. The prime minister said based on his conversation with the newly-appointed Bank Negara Governor Datuk Muhammad Ibrahim, the latter had acknowledged

these two proactive measures had spared Malaysia from sharing the same fate as Greece. "The Opposition had played up the GST issue during the election but the people were able to see the truth and how the tax system will benefit the country and the people's future," he said. During the gathering, Najib and those present took a moment of silence and recited the Al-Fatihah for the victims of the recent helicopter tragedy involving Deputy Plantation Industries and Commodities Minister, Datuk Noriah Kasnon and five others.

**NEW STRAITS TIMES** Wednesday, 11 May, 2016

### **3. Health Ministry to boost nurses' qualifications from diploma to degree**

PUTRAJAYA: The Health Ministry aims to raise all of its nurses' qualifications from diploma-level to degree. Its minister Datuk Seri Dr S. Subramniam said the majority of the 89,000 nurses in the public healthcare sector have diplomas, with only 652 possessing degree qualifications in nursing. "Efforts are being made to improve the nursing profession in terms of their knowledge, achievements and career paths," he told reporters before chairing the ministry's post-cabinet meeting today. Dr Subramaniam also said the current ratio of nurses to the country's population stood at one nurse for every 297 people. According to the World Health Organisation (WHO), the recommended ratio for a country such as Malaysia is 1:200. In 2011, it was reported the nurse ratio was at 1: 329. Nurses in Malaysia, he said, play vital roles especially in the interiors as their contributions had significantly improved the people's well-being. "Their roles are crucial especially in addressing lifestyle diseases," Dr Subramaniam said, adding that Malaysia would celebrate the national-level Nurses Day tomorrow (May 12). Lifestyle diseases include atherosclerosis, heart disease, and stroke; obesity and type 2 diabetes; and diseases associated with smoking and alcohol and drug abuse. On the progress of drafting regulations related to vaping or e-cigarettes, he said they were in the final stages and are expected to be completed before the year-end. He said once the draft is finalised, it would be tabled before the Cabinet. The regulations, he said, would cover various areas from manufacturing, distribution to consumers.

**4. MoF has agreed to implement PAC's recommendations on 1MDB**

Ministry of Finance Incorporated (MoF Inc) as the full shareholder of 1Malaysia Development Bhd (1MDB) has agreed to fully implement the Public Accounts Committee's (PAC) recommendations on the company. In a written reply today, Finance Minister Datuk Seri Najib Razak, responding to a question by Bagan Member of Parliament Lim Guan Eng, said the ministry had released a statement on its official website regarding the matter on May 4. Among the measures, Najib said, was accepting the resignation of the 1MDB Board of Directors effective May 31 and the appointment of a new board, while Arul Kanda (Kandasamy) remains 1MDB president until further notice. "As we are aware, there is currently a dispute between 1MDB and International Petroleum Investment Co (IPIC). 1MDB is reviewing and will take the necessary measures to prove that IPIC and Aabar Investments PJS are responsible for the funds paid by 1MDB to Aabar BVI totaling USD3.5 billion," he said. "As such, it is too soon to conclude that there was fraud in transactions and dealings related to 1MDB and IPIC." Najib was responding to Lim's question on the resignation of Arul Kanda and on whether it was caused by fraud within IPIC and Aabar. Najib said that following the dispute between 1MDB and IPIC, neither 1MDB nor its subsidiaries 1MDB Energy (Langat) Limited (Bond Langat) and 1MDB Energy Limited (Bond Limited) have yet to make pay the bond interest and are now in a default situation, according to the terms of Bond Langat and Bond Limited. "IPIC have made the bond interest payment under IPIC's provisions."

**5. A-G Report 2015: Excellent financial performance by govt agencies**

KUALA LUMPUR: The Auditor-General's Report 2015 Series 1 tabled in Dewan Rakyat Wednesday showed excellent financial management performance by government agencies compared to the previous year. Auditor-General Tan Sri Ambrin Buang said 180 ministries, departments and federal government agencies received Excellent (5-star) ratings compared to only 114 in 2014. "This significant achievement has indicated that the implementation of the Accountability Index has prompted Controlling Officers to do the necessary improvements on financial management," he said in a statement released here, today. He said the report was released earlier than usual this time around (before Prime Minister Datuk Seri Najib Razak who is also the Finance Minister tabled the Budget 2017) as the National Audit Department had received the cooperation of the Department of National Accountant Malaysia. "The Federal Government Financial Statements as a whole gives the impression of a true and fair financial standing of the Federal Government, as well as its operations and cash flow for the year ended December 31, 2015. "Its accounting records have been properly

maintained and updated," he said. The Auditor-General's Report on the Federal Government, Federal Statutory Bodies and the State governments' activities in 2015 are tabled in a series, twice this year. The Series 1 report was tabled in Parliament today after receiving the consent from Yang di-Pertuan Agong, Tuanku Abdul Halim Mu'adzam Shah. Every year, the National Audit Department conducts performance audits aimed at assessing the extent of the government's activities and whether its projects were planned, implemented and monitored effectively and efficiently. It was also aimed to see the extent of which the main objectives of the programmes, activities and projects are achieved. Ambrin said the audit was also conducted to assess the extent of public money spent, whether the expenditures were made prudently without extravagance and wastage, and whether it had benefits. Overall, the Federal Government revenues saw a decline of RM1.537 billion (0.7 per cent) as compared to the previous year. The Income Tax revenue showed an increase of RM1.899 billion (7.8 per cent) and revenue from the Goods and Services Tax (GST) achieved its target at RM27 billion. However, the reduction of the Petroleum Revenue Tax of RM15.397 billion, Corporate Revenue Tax (RM1.560 billion) and Petroleum Royalty (RM1.389 billion) had contributed to a decline in the Federal Government's revenue in 2015. "The fall in global crude oil prices had a significant impact on the revenue. The collection of sales and services tax dropped after it was replaced by GST. "In 2015, collection from Local GST was recorded at RM14.040 billion and Imports GST at RM12.973 billion, thus total collection of GST in 2015 was RM27.013 billion," he said. He said in the Series 1 report, a total of 70 performance audits and 18 Government Companies' management audits were implemented at the Federal and State levels and the scope of audit covered construction, maintenance, acquisition, management, revenue and company management. Ambrin said previously, the Heads of Departments concerned were informed in advance of what to report in the Auditor-General's Report for verification purposes. "In order to facilitate corrective actions and improvements by the relevant Department Heads, the National Audit Department has submitted 78 recommendations to the Federal Government, Federal Statutory Bodies (43) and the State (181) to improve their weaknesses. In addition, the Finance Ministry has also issued a Feedback Report on the Auditor-General's Report 2015. It contains latest reviews and actions by the Secretary-General and Heads of Departments on the issues raised by the Auditor-General in the report. The content of the Series 1 and 2 of the Auditor-General's Report 2015 and its synopsis is available on the National Audit Department website at <http://www.audit.gov.my> as of today. All enquiries or suggestions on the report may be directed through 'Message to Auditor General'.—BERNAMA

**6. 1MDB report declassification is Cabinet's prerogative: PAC**

KUALA LUMPUR: The declassification of 1Malaysia Development Bhd (1MDB) audit report is the prerogative of the Cabinet, says Public Accounts Committee Chairman Datuk Hasan Arifin. He said the 1MDB audit report was different than the National Audit Report which is released annually and presented to the Parliament. As for 1MDB, it is a special audit report which only needs to be presented to the PAC, said Hasan. "The Cabinet requested the National Audit Department to prepare an audit (on 1MDB) and present it to the PAC. "Whether or not the report should be declassified, is entirely up to the government," he told reporters at the Parliament House here today. Hasan was responding to certain quarters who wanted to know the reason for the report's classification under the Official Secrets Act. He had claimed earlier that the Auditor-General's report would be declassified once PAC's report on 1MDB was tabled in Parliament. Meanwhile, Hasan said the PAC would carry out proceedings involving the Immigration Department, Sabah State Water Department and the National Disaster Management Agency with regards to the Auditor-General Report 2015 Series 1, which was tabled in Parliament today. "We will call for the proceedings as soon as possible and ask each of the departments to clarify on issues such as construction management, repair of flood victims' houses, Sabah rural water supply programme and the Malaysian immigration system," he said. Hasan said however, the overall performance of the three departments was satisfactory. The Auditor-General's Report on the Federal Government, Federal Statutory Bodies and the State governments' activities in 2015 are tabled in a series, twice this year. The Series 1 report was tabled in Parliament today after receiving the consent from Yang di-Pertuan Agong, Tuanku Abdul Halim Mu'adzam Shah.—BERNAMA

**7. A-G Report 2015: Excellent financial performance by govt agencies**

KUALA LUMPUR: The Auditor-General's Report 2015 Series 1 tabled in Dewan Rakyat Wednesday showed excellent financial management performance by government agencies compared to the previous year. Auditor-General Tan Sri Ambrin Buang said 180 ministries, departments and federal government agencies received Excellent (5-star) ratings compared to only 114 in 2014. "This significant achievement has indicated that the implementation of the Accountability Index has prompted Controlling Officers to do the necessary improvements on financial management," he said in a statement released here, today. He said the report was released earlier than usual this time around (before Prime Minister Datuk Seri Najib Razak who is also the Finance Minister tabled the

Budget 2017) as the National Audit Department had received the cooperation of the Department of National Accountant Malaysia. "The Federal Government Financial Statements as a whole gives the impression of a true and fair financial standing of the Federal Government, as well as its operations and cash flow for the year ended December 31, 2015. "Its accounting records have been properly maintained and updated," he said. The Auditor-General's Report on the Federal Government, Federal Statutory Bodies and the State governments' activities in 2015 are tabled in a series, twice this year. The Series 1 report was tabled in Parliament today after receiving the consent from Yang di-Pertuan Agong, Tuanku Abdul Halim Mu'adzam Shah. Every year, the National Audit Department conducts performance audits aimed at assessing the extent of the government's activities and whether its projects were planned, implemented and monitored effectively and efficiently. It was also aimed to see the extent of which the main objectives of the programmes, activities and projects are achieved. Ambrin said the audit was also conducted to assess the extent of public money spent, whether the expenditures were made prudently without extravagance and wastage, and whether it had benefits. Overall, the Federal Government revenues saw a decline of RM1.537 billion (0.7 per cent) as compared to the previous year. The Income Tax revenue showed an increase of RM1.899 billion (7.8 per cent) and revenue from the Goods and Services Tax (GST) achieved its target at RM27 billion. However, the reduction of the Petroleum Revenue Tax of RM15.397 billion, Corporate Revenue Tax (RM1.560 billion) and Petroleum Royalty (RM1.389 billion) had contributed to a decline in the Federal Government's revenue in 2015. "The fall in global crude oil prices had a significant impact on the revenue. The collection of sales and services tax dropped after it was replaced by GST. "In 2015, collection from Local GST was recorded at RM14.040 billion and Imports GST at RM12.973 billion, thus total collection of GST in 2015 was RM27.013 billion," he said. He said in the Series 1 report, a total of 70 performance audits and 18 Government Companies' management audits were implemented at the Federal and State levels and the scope of audit covered construction, maintenance, acquisition, management, revenue and company management. Ambrin said previously, the Heads of Departments concerned were informed in advance of what to report in the Auditor-General's Report for verification purposes. "In order to facilitate corrective actions and improvements by the relevant Department Heads, the National Audit Department has submitted 78 recommendations to the Federal Government, Federal Statutory Bodies (43) and the State (181) to improve their weaknesses. In addition, the Finance Ministry has also issued a Feedback Report on the Auditor-General's Report 2015. It contains latest reviews and actions by the Secretary-General and Heads of Departments on the issues raised by the Auditor-General in the report. The content of the Series 1 and 2 of the Auditor-General's Report 2015 and its synopsis is available on the National Audit Department website at <http://www.audit.gov.my> as of today. All enquiries or suggestions on the report may be directed through 'Message to Auditor General'.--BERNAMA

**8. A-G Report: PAC met 33 times throughout 2015**

KUALA LUMPUR: The Public Accounts Committee (PAC) met 33 times throughout last year said the Series 1 of the Auditor General's 2015 report. The audit report said throughout the meetings, 30 auditing procedures carried out by the Auditor General's Department was discussed. "In 2015, the AG's department had submitted the AG's report four times, the first being on April 6, followed by June 15, Nov 2 and finally Nov 23," said the report. Among issues discussed in the PAC meetings was matters related to 1Malaysia Development Bhd (1MDB) which was discussed eight times. The 1MDB issue was first discussed on May 19, 2015 and the final time on Dec 1, 2015. The meeting also discussed matters related to 1BestariNet, PFI Sdn Bhd Construction, 1Azam programme and the management of financial allocation for floods. The AG's Series 1 report was tabled in Parliament today with the consent of the Yang di-Pertuan Agong Tuanku Abdul Halim Mu'adzam Shah. Auditor-General Tan Sri Ambrin Buang said 180 ministries, departments and federal government agencies received Excellent (5-star) ratings compared to only 114 in 2014. In order to facilitate corrective actions and improvements by the relevant Department Heads, the National Audit Department has submitted 78 recommendations to the Federal Government, Federal Statutory Bodies (43) and the State (181) to improve their weaknesses. --BERNAMA

**9. A-G Report: 557 flood victims still waiting for homes**

KUALA LUMPUR: The Auditor General's report chided the project to build permanent houses (RKB) for flood victims as only 40 per cent or 557 of the 1,395 units have not been completed as of March 30, 2016. According to the AG's 2015 Series 1 report, due to the National Disaster Management Agency's (APBN) failure to complete the houses, 557 flood victims and families in five states who were affected by major floods in 2014, are still living in transit homes, tents and other accommodation initiatives. "So far, 838 (60 percent) of the 1,395 RKB houses have been completed. Audit on the project revealed that Terengganu has a 100 percent record while Perak has only achieved 45 per cent. "Overall performance on RKB is not satisfactory because 557 flood victims are still staying in transit homes, tents and other forms of accommodation," said the report tabled in Parliament today. According to the report, among the main factors for RKB's poor performance was the procedure in land acquisition from the respective state governments and delay in starting the projects due to difficulties in sourcing for contractors who can build houses at the fixed rate. "Other factors are the weather, obstacles in reaching the construction site and lack of manpower,"

said the report. The APBN was set up last August under the Prime Minister's Department to take over the functions of the National Security Council which managed natural disasters and policies involved in disaster management. In 2014, five states - Kelantan, Terengganu, Pahang, Perak and Sabah - were hit by major floods that displaced hundreds of families, including huge losses to families. "The APBN must review the process or procedures in the selection of those receiving assistance in a transparent manner. Such procedures must be carried out quickly so that houses of RKB recipients can be completed early," said the report.—BERNAMA

**NEW STRAITS TIMES** Wednesday, 18 May, 2016

#### **10. Open session to be held with media to answer questions on AG's Report 2015**

KUALA LUMPUR : The Chief Secretary to the Government will convene an open session to answer all questions pertaining to the Auditor-General 2015 first series report next Tuesday. Auditor-General Tan Sri Ambrin Buang said the open session with the media would also be joined by the secretary general and heads of department from selected ministries. "I just came from Parliament, where I had briefed members of the Public Accounts Committee (PAC). We have already identified a number of ministries, not for interrogation, but for discussion on the corrective measures that has to be taken," he said. "After this Chief Secretary to the Government Tan Sri Dr Ali Hamsa will convene an open session with the media and the particular head of ministry and secretary-general will have to answer whatever question is asked," he said. Speaking at the 2nd Financial Reform for Economic Development Forum in Asia (FRED II), Ambrin said the session was a normal practice which they had held in the past two years. "It will be held on the 24th (of May)..this is normal and we have been doing this for the past two years. "Each time after we tabled our report, the chief secretary will have an open session with the media and they can ask questions pertaining to the report..," he said.

**NEW STRAITS TIMES** Thursday, 19 May, 2016

#### **11. Defence Ministry mulling engaging third party for assets audit**

Share KUALA LUMPUR: The Defence Ministry is considering engaging a third party to conduct a comprehensive audit on all its assets, following recent aircraft crashes. Defence Minister Datuk Seri Hishammuddin Hussein said he has asked the ministry and the Malaysian Armed Forces to look into the viability of the proposal. "We have to look at maintenance records, continuous training of pilots; that requires a lot of thought. "I have already mentioned this to Royal Malaysian Air Force (RMAF) chief General Datuk Seri Roslan Saad," he told a press conference at the Parliament lobby

today. Hishammuddin said the ministry is looking at upgrading various aircraft including the C-130, S-61 Nuri and Hawks. He said audits on training aircraft, Sukhoi jets and the CN235 aircraft also need to be done. Hishammuddin was responding to questions on further action to be taken following the latest crash involving RMAF's AerMacchi MB339CM aircraft in Pahang on Tuesday. Both pilots survived the crash but one broke his leg. "Thank God both of our pilots survived. I have not received the full report on the crash yet but initial report states that the plane experienced technical problems," he said, rubbing rumours that the aircraft was carrying explosives.

**NEW STRAITS TIMES** Saturday, 21 May, 2016

#### **12. Penang PAC Report should be made public : Rahman Dahlan**

PUTRAJAYA: Barisan Nasional (BN) Strategic Communications director Datuk Abdul Rahman Dahlan wants the Penang Public Accounts Committee (PAC) Report to be made public. He said heated debate in the Penang State Assembly revealed that the release of the PAC Report was postponed twice. "This proves that the answer given is incomplete," he said in a statement, here today. On the invitation by the Penang DAP government to look at documents of three major road projects and the undersea tunnel project, Abdul Rahman said he had to decline as it did not give many advantages. "There is little to gain from just looking at the documents." The Minister of Housing and Local Government said the Penang DAP government should offer the same deal to the others. They include the Centre to Combat Corruption and Cronyism (C4), the Penang Citizen Awareness Chant Group and the Consumers Association of Penang (CAP). "At least two DAP state assemblymen in Penang and five PKR state assemblymen have also raised questions about the tunnel project. "So far, none of them have received a satisfactory answer," he added. -BERNAMA

**NEW STRAITS TIMES** Tuesday, 24 May, 2016

#### **13. PAC report on 1MDB had cleared Najib of wrongdoing, parliament**

KUALA LUMPUR: The report by Public Accounts Committee (PAC) on the 1Malaysia Development Berhad (1MDB) had cleared Prime Minister Datuk Seri Najib Razak from any wrongdoing. The Finance Ministry in a parliamentary written reply today said there was no evidence in the report that linked Najib, who is also the Finance Minister, of any wrongdoing. It said: "There is no evidence in the PAC report that has shown mismanagement of the company on the prime minister's part. The decisions and business dealings of 1MDB were made by the management and company's board of directors." Dr Ko Chung Sen (DAP-Kampar) had asked Najib if he had read and understood the 1MDB documents that required his signature and approval before signing them and whether he had

been fooled by the company's chief executive officer and the management to sign documents that allowed the monies to be transferred.

**NEW STRAITS TIMES** Wednesday, 25 May, 2016

#### **14. 1MDB assets transfer to be completed by mid-June**

KUALA LUMPUR: 1Malaysia Development Bhd's (1MDB) assets transfer to Ministry of Finance Incorporated (MoF Inc) will likely be completed by mid-June, says Deputy Finance Minister Datuk Johari Abdul Ghani. The company, he said will then become a shell company to manage liabilities and bonds it has used. "The ministry has also decided that 1MDB is no longer allowed to make borrowings from any institutions and has to serve its liabilities and manage bonds through whatever means. "The business model is no longer sustainable. You cannot continue to do business using this model anymore and that is the reason why they cannot borrow anymore. "The assets transfer process is ongoing. By end of this month or mid-June, we will be able to resolve all this," he told reporters at the Parliament lobby today. Johari also said the value of the transferred assets were expected to increase and is sufficient to cover all of 1MDB's liabilities including bond commitments. He added that 1MDB is slowly carrying out a retrenchment process for its staff, adding that some had already submitted their resignation. On the closure of BSI Bank Ltd's operations in Singapore, Johari said it would not have any impact on 1MDB's operations. He said 1MDB does not have many dealings with the bank. The Monetary Authority of Singapore announced yesterday that it has ordered the closure of Switzerland's BSI Bank in Singapore. 1MDB clarified that it had not been contacted by any foreign lawful authority on matters relating to the company but confirmed that its ownership of various fund investments had not been impacted by the announcements.

**NEW STRAITS TIMES** Monday, 26 May, 2016

#### **15. Good Star Ltd was owned by Petrosaudi when it received RM4.2b from 1MDB**

KUALA LUMPUR: Good Star Limited was owned by Petrosaudi International when it received US\$1.03 billion (RM4.2 billion) from 1Malaysia Development Berhad (1MDB). The Finance Ministry, in a parliamentary written reply today, said that based on the investment company's records, Good Star Limited belonged to the Middle Eastern firm when payments were made in 2009. It said: "The payments were made so that 1MDB can obtain a 40 per cent stake in a joint venture. Petrosaudi also acknowledged receiving the payments, according to agreements that were made when the payments were transferred." The ministry was responding to a question asked by Tony Pua (DAP-Petaling Jaya Utara) on who was the real owner of Good Star Limited when the central bank had said it belonged

to an individual that has no connection with Petrosaudi. It was previously reported that both Bank Negara Malaysia and the Public Accounts Committee (PAC) had stated that the Seychelles-based firm was unrelated to Petrosaudi. The Petrosaudi-1MDB joint venture was later terminated in 2012 and the investment firm stressed that they did not lose any money over the deal. It had also claimed to have made a US\$488 million (RM1.98 billion) profit from the deal.

**NEW STRAITS TIMES** Monday, 26 May, 2016

**16. 2 women among 23 detained by MACC for false claims By Bernama**

KANGAR: The Malaysian Anti-Corruption Commission in Perlis detained 23 civil servants on May 24 and May 25 in connection with fraudulent claims in 2015. State MACC director Yaacop Angah said the 23 including two women from various agencies were roped in to facilitate investigations. They have since been released on MACC bail. "Investigations revealed they bought receipts from budget hotels in Kuala Lumpur for RM10 and submitted claims for between RM160 and RM220 (according to their entitlement based on grade)," he said in a statement issued by MACC today. Yaacop said some of the individuals submitted up to 10 claims amounting to RM9,850. He said the total amount involved was RM 37,180 and MACC believed the cases were merely the tip of the iceberg as only two hotels had been inspected. The outcome of the investigation, which began two months ago, under Section 18 of the MACC Act 2009 (Act 694) would be handed to the deputy public prosecutor soon, he added.—BERNAMA