



Tourism board making losses

Reports by ZULKIFLI ABD RAHMAN, SIRA HABIBU, TAN SIN CHOW, MANJIT KAUR, and LESTER KONG

THE Malaysian Tourism Promotion Board has not turned in a single ringgit of profit despite making investments of RM41.9mil since its inception in January 1976. The Auditor-General's Report revealed that the ministry's subsidiary Pembangunan Pelancongan Nasional Sdn Bhd (Pempena) had not done due diligence before making its investments. The report also found that seven subsidiary and 17 associated companies under Pempena suffered cumulative losses of RM32.37mil until Dec 31 last year. Six of the seven companies recorded a RM3.74mil loss in 2007. Only one company, Malaysian Travel Business Sdn Bhd, made a profit of RM438,240 in 2007 after taxes. According to the report, Pempena would record RM40.03mil in overall losses from its investments and initial capital outlay of RM52.86mil for the 24 entities. "Pempena has made investments in subsidiary companies that are not viable because it has not done due diligence as a whole before making the investments," the report said.

It added that Pempena's investments in its seven subsidiary companies and 17 associated companies were not presented and discussed with the board prior to approval. "Pempena only informed the board after the investments were made," it said. The board in reply said it would report to the Finance or Tourism Ministry to withdraw the Government's investments from subsidiaries that failed to declare dividends for three consecutive years. The report also found that the board neglected to set up a committee responsible for valuing and monitoring its investments in the companies. In its response, the board said it would form investment committees on "project basis" if its subsidiaries decided to make new investments. "The audit also found that the board did not have any long-term and short-term strategic plans for the entire organisation," it said.

In reply, the Board said it held a Strategic Planning and Direction workshop from Oct 16 to 18 as per the recommendations of the Auditor-General. In response to the Auditor-General's Report, Tourism Minister Datuk Seri Dr Ng Yen Yen said yesterday that the ministry had a special committee looking into the losses incurred by the Malaysian Tourism Promotion Board. She said the ministry was aware of all the issues, and was almost at the end to its investigation into the losses.

The Auditor-General's Report

Wednesday October 21, 2009

Dubious petrol claims exposed

Reports by ZULKIFLI ABD RAHMAN, SIRA HABIBU, TAN SIN CHOW, MANJIT KAUR, and LESTER KONG

THE Auditor-General has found dubious petrol claims for two buses and a car belonging to the Penang State Secretariat. The report cited an occasion when between RM100 and RM300 of petrol was pumped between three and eight minutes apart on the same day. The report said petrol worth RM53 and RM38 was filled twice within four minutes for the same car on June 23, while petrol worth RM126.50 and RM61.90 was filled within four minutes for the same bus on June 6, 2008. And petrol worth RM126.50 and RM63.25 was filled for another bus on March 27, also last year.

The Auditor-General said a logbook should be kept to monitor the amount of fuel used and the distance travelled. The report also questioned why tyres were changed frequently at a cost of RM31,064 for the same three cars over a period of between three and 34 months. It also questioned why the three cars were sent to a non-designated workshop where the maintenance cost was higher. It also questioned why the Penang Veterinary Department issued 17 Touch n `Go cards to drivers as well as officers using private cars.

The report noted that the Penang government lost RM1.41mil in revenue because a special premium for land conversion was not imposed according to the stipulated rate. The A-G's Report also revealed that the Penang Municipal Council had overspent RM3.5mil to pay seven solid waste collection contractors. It also noted that the council had over-spent RM1.63mil in 2007 and RM1.54mil last year as the contractor involved in transporting solid waste from Batu Maung to Pulau Burung had failed to collect the minimum amount required. It also noted that the council wasted RM50,000 on a water treatment pond that has been abandoned.

The Auditor-General's Report

Wednesday October 21, 2009

RM649mil excess tax refunded late

Reports by ZULKIFLI ABD RAHMAN, SIRA HABIBU, TAN SIN CHOW, MANJIT KAUR, and LESTER KONG

THE Inland Revenue Board was late in refunding a total of RM648.70mil in excess tax payments to taxpayers between 2006 and last year. The delay, according to the Auditor-General's Report, was between 10 days and two years for those who filed their returns manually and up to one year for those who did it through e-filing.

The report was based on an audit carried out on the Internal Revenue Board (IRB) in January and from August to October last year. It said the delays were due to changes made to the Self-Assessment System, incomplete or inaccurate information provided by the taxpayers and the fact that IRB staff were overburdened with other duties.

“The IRB client charter states that excess tax should be returned to the taxpayer within three months for those doing manual or postal filings or one month for those carrying out e-filing. “Of 424 transactions checked, 54.5% of them involving RM648.70mil in excess tax payments were not returned to the taxpayers for a period of between 10 days and two years for manual filings and up to one year for e-filings,” the report said.

In the Auditor-General feedback report, the IRB explained that it had supplied a tax payments guideline which was included in the IRB website to avoid delays.

The Auditor-General's Report

Wednesday October 21, 2009

RM10mil buses going nowhere

Reports by ZULKIFLI ABD RAHMAN, SIRA HABIBU, TAN SIN CHOW, MANJIT KAUR, and LESTER KONG

THE Terengganu government wasted RM10.5mil buying 26 buses that had to be virtually grounded when it abandoned plans to use the new buses to ply urban and inter-district routes because of objections from existing bus operators. The wastage occurred because the state government had failed to carry out a comprehensive study before implementing the project.

The Auditor General's Report released on Monday said such studies were needed to avoid failure in meeting the objective. According to the report, the state secretariat had in 2007 appointed two companies to supply the buses. The state government had in February this year decided to distribute 18 of the buses to various agencies and departments. The report also noted that a subsidiary of a government-linked company that was supposed to utilise the buses had no experience in the transportation business.

Based on the state secretariat's report, the audit also found the cost of maintaining two Proton Perdana V6 was higher than the cost of procuring the vehicles. A total of RM308,731 was spent on maintenance of the two cars that were originally purchased for RM234,054. The Auditor was unable to analyse the cost of maintenance because the Malaysia Anti-Corruption Agency had seized the files on the two vehicles. The Auditor has also uncovered unauthorised use of fuel cards by personnel in the state secretariat and the Public Works Department. The Auditor has also called on the state government to monitor the activities of its companies to ensure they observe good corporate governance, abide by the law, make a profit and pay dividends to the state.

The Auditor-General's Report

Wednesday October 21, 2009

CM to act on report over frequent tyre change

Reports by ZULKIFLI ABD RAHMAN, SIRA HABIBU, TAN SIN CHOW, MANJIT KAUR, and LESTER KONG

THE frequent replacement of tyres for government vehicles in Penang as stated in the Auditor-General's Report 2008 has not gone down well with Chief Minister Lim Guan Eng. He said action would be taken against the officers concerned if the expenditure was not justified. "I am not aware of that, but I would ask the state financial officer Farizan Darus to give me a report. We will act on issues raised by the Auditor-General," he said.

Lim was speaking to reporters after announcing the appointment of Ooi Geok Ling as the managing director of Penang Global Tourism Sdn Bhd at the Penang Development Corporation office here yesterday. Three government cars, bearing registration numbers of PED21, PBF1 and PAF1, which had frequent tyre replacements were mentioned in the Auditor-General's report.

"We are very open about this. The state government does not have anything to hide. "If possible, we want to invite the Auditor-General to visit Penang so that we can find ways to improve the performance of government officers," he said.

Asked about the construction of a monorail test track on a 12ha site in Batu Kawan here, Lim declined to comment. It is believed that the test track, said to cost about RM70mil, could be a sign that the state was embarking on a monorail plan of its own.

The Auditor-General's Report

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RM42,320 for a laptop

By YENG AI CHUN

KUALA LUMPUR: Who in their right mind would pay RM42,320 for a laptop?

Kolej Kemahiran Tinggi Mara Balik Pulau in Penang not only paid the price but bought two units of the same brand – Acer Aspire-5052ANWXMI, at a whopping price of RM84,640, said the Auditor-General's Report. In addition, the college purchased 450 units of computer CAD with network card at RM3.45mil for 12 labs. Each 19-inch monitor costs RM8,500 while a 17-inch monitor costs RM7,500. "A check with local companies showed that the market price for the latest model is between RM5,350 to RM6,500 each. Worse still the computers, Precision 390 Dell, that were supplied are no longer in the market," it said.

Also purchased were 15 laser printers, Hewlet Packard P3005X, at the price of RM7,722 each when the market price was about RM5,000 per unit. In reply, Mara said the equipment were purchased in a lump sum and there was no price breakdown for the laptops.

The price breakdown was only done after the equipment was supplied for the purpose assets record and it could not be used as a basis for reference. "Nevertheless, Mara has created a task force and is conducting a price adjustment for all the equipment," it said.

The report also stated that the college had paid between RM1,398 and RM2,945 for 204 teaching manuals. "Checks found that the teaching manuals supplied were bound using comb binding. The teaching manuals obtained at a cost of RM358,476 is a waste because they were never used," it said, adding that the supplier has been notified to provide the original version of the teaching manual in hard cover. Mara also spent RM2.08mil buying computer software it didn't need.

Audits also found many discrepancies in prices paid for the same equipment, including the same LCD projectors that costs RM3,500 and RM8,000 for two different laboratories. "Swivel stools were also purchased at three different prices – RM340, RM350 and RM450 per unit and they did not even meet the agreed specifications in the agreement. "Other swivel chairs were bought for between RM810 to RM1,050 per unit when the college had bought the same chair previously at RM336 per unit," it said.

The report also stated that the German-Malaysian Institute which was picked as the consultant, had proposed a ceiling price of RM84.5mil for the purchase of equipment for the college while the Economic Planning Unit (EPU) fixed the price at RM127.65mil. "The reason for the higher price was to speed up the process of obtaining the supplies. In the end the agreed contract was fixed at RM112.42mil. Mara had submitted a letter to the Finance Ministry to say that the figure was reasonable. "Audit found that the agreed price for the purchase of equipment is not reasonable. This is because the approach taken by Mara did not fulfill the criteria set by the Finance Ministry, which is to negotiate for the lowest price possible.

The Auditor-General's Report

Thursday October 22, 2009

Anti-graft body studying report

The Malaysian Anti-Corruption Commission is studying the Auditor-General's Report 2008 to see if there are elements of corruption, misconduct and abuse of power in the management of public funds. In a statement yesterday, the commission said it would proceed with the necessary action should it find any irregularity.

The Auditor-General's Report, tabled in Parliament on Monday, found numerous weaknesses including delays, irregularities in procurement process and supply of equipment at illogically high prices. — Bernama

The Auditor-General's Report

Thursday October 22, 2009

EPF: Almost 9,000 errant bosses dealt with

ACTION has been taken on nearly all the 9,000 employers who defaulted in contributing to the Employees Provident Fund (EPF). EPF public relations general manager Nik Affendi Jaafar said the figure of 9,000 employers that was stated in the Auditor-General's report on Monday was accumulated over the years. The report attributed the high number of defaulting employers to the shortage of EPF staff with one inspector having to conduct checks on more than 1,200 employers.

Nik Affendi said EPF had successfully reduced the number of defaulters over the years by employing more stringent enforcement and improving its IT system. He stated that enforcement actions were focused on employers with large numbers of employees and those with high amount of contributions. "As of last month, the number of defaulting employers dropped to 1.7% compared to 2.05% in December 2008. This is a significant improvement compared to 2000 when the percentage stood at 5.65%. "Based on this performance, we believe that the number of our inspectors at present is sufficient and optimal," he said. In some cases, he added, the EPF did not take action because there were insufficient supporting documents or the company had closed down before the complaint was made.

The Auditor-General's Report

Thursday October 22, 2009

Water quality in Kelantan not up to standard

THE quality of water supply in Kelantan does not meet the standard set by the Health Ministry, said the Auditor-General's Report. It said the state water management company, Air Kelantan Sdn Bhd, did not place priority in cleaning its water pipes. And when flushing was done, it was carried out without complying with the standard operating procedure, said the report, adding that records were incomplete. "This has resulted in the quality of water supplied to consumers not meeting the standard set by the Health Ministry," it said.

The report said there were many complaints from consumers in the state on the problems of water disruption and murky water especially in Kota Baru, Tanah Merah and Gua Musang. "Air Kelantan must solve this problem immediately," it said.

The state utility company, it said, should carry out pipe flushing works on a regular basis and not only carry out such works when there were complaints from consumers about murky water. It also described the management of water supply in the state as less than satisfactory.

Among the weaknesses mentioned were:

- > DELAY in gazetting treatment plant;
- > NON-MONITORING of water catchment areas; and
- > NOT gazetting raw water charges.

The report recommended the state government and Air Kelantan to expedite the move to gazette water catchment areas and water treatment plants as protected zone and to upgrade water treatment plant. The A-G's Report also noted that the repair on damaged equipment, particularly on filter nozzles were not given due priority due to the company's financial constraints.

The Auditor-General's Report

Thursday October 22, 2009

Johor charges inconsistent rates for raw water

MALACCA pays 10 times more than Singapore to buy raw water from Johor, according to the 2008 Auditor-General's Report on Johor. The report showed that Malacca paid 30 sen for each 3,785.4 litres (1,000 gallons) of raw water supplied from Sungai Muar in Johor. This was agreed upon in 1991 and Johor has a contract to supply water to Malacca till 2090.



Dirty river: A file picture showing children collecting pebbles from Sungai Padas in Sabah. According to the A-G's Report, the river is now heavily polluted.

Meanwhile, the Singapore government paid a mere three cents per 3,785.4 litres of raw water supplied from Sungai Skudai, Sungai Tebrau, Sungai Johor and Gunung Pulai. This agreement was inked in 1961 and 1962. "In the audit's opinion, the raw water rates are inconsistently implemented because the Singapore Public Utilities is paying a very low price compared to the Malacca government. "Concurrently, one of the three Johor government's water treatment plant concessionaires, SAJ Holding Sdn Bhd, was also not imposed any charges," it said.

The supply of raw water in Johor is obtained from the state's rivers and dams which are managed by Badan Kawal Selia Air Johor. The report also showed that all 48 water treatment plants in Johor have yet to be billed for the supply of raw water as the rates were still being negotiated. "The failure to impose any charges is a loss to the state government's revenue as the income could be used to pay for the conservation, monitoring and enforcement of raw water supply," it said.

Meanwhile, a lack of action has caused the source of Sungai Padas in Beaufort district of Sabah to be polluted with various bacteria and base metals, including manganese, iron and E.coli. The 2008 Auditor-General's Report said visits to the water sources and water treatment plants along the river revealed that the health risk posed by the high pollutant contents was caused by a lack of enforcement by the land office in the areas. It said Health Ministry studies had found that concentrations of E.coli, total coliform, iron and turbidity had all increased over acceptable levels between 2006 and 2008.

The ministry recorded that total coliform levels reached 24,000 most probable number (mpn) per 100ml from an acceptable 5,000mpn; E.coli at 5,420 to 16,090mpn per 100ml from 5,000mpn; and iron traces up to 17mg per litre over the acceptable one mg per litre. "Unless action is taken, raw water quality will continue to be compromised and endanger the health of residents," it said in the report released on Monday. The A-G also found that commercial activities in rivers and riverbanks have not been approved by the Beaufort land revenue officer

The Auditor-General's Report

Thursday October 22, 2009

Seremban fails to collect RM400K yearly

THE Seremban Municipal Council failed to collect parking fees totalling more than RM400,000 annually from drivers who parked at seven designated lots. The Auditor-General's Report said the failure to collect the fees from drivers who used the 1,629 parking bays at Taman Rasah Jaya, Jalan Rasah, Jalan Tok Ungku, Pasar Ampangan, Taman Senawang Jaya, Jalan Lee Sam hawker centre and Jalan Manickavasagam caused the council to lose RM469,152. This was based on a collection rate of 40 sen per hour for three hours daily for 20 days. "Checks made on Dataran Senawang, Oakland Commercial Centre and Jalan Lee Sam revealed that no parking fee collection was carried out despite the areas being heavy in traffic," it added.

The council responded by saying that the parking bays at Dataran Senawang and Oakland Commercial Centre were only gazetted in January 2008. It said additional workers were being roped in to help in fee collection duties. The council also said that it did not plan to impose parking charges at the Jalan Lee Sam hawker centre as it was mostly filled by cars belonging to traders in the area. The Auditor-General also reported that checks on parking bays in high-traffic areas like Rahang and Rasah revealed that a number of them were occupied by second-hand car dealers and traders. The report said a survey showed that the majority of people in Seremban complained of inadequate parking bays and faded parking bay lines.

The Auditor-General also reported that the council had failed to recover deposit and bank guarantee payments totalling RM337,995 from private parking facility contractor Asas Budiman Sistem Sdn Bhd. The amounts of RM112,665 in deposit and RM225,330 in bank guarantee were not paid after the privatisation contract was signed in February 2006. Asas Budiman Sistem also chalked up monthly rental arrears of RM246,000 up to 2008, although RM100,000 was paid up by the company in April this year. The report concluded that the council failed to protect its interest by delaying action against Asas Budiman Sistem for contravening its contractual obligations. The Auditor-General also reported that the council had failed to sign an agreement renewal letter when it extended the agreement period to June 30, 2011. This was because Asas Budiman Sistem did not return the agreement documents to the council.

The Auditor-General's Report

Thursday October 22, 2009

Illegal logging along highway

ILLEGAL logging has been discovered along the Kajang-Seremban Highway (Lekas) construction site and logs worth RM124,000 have been seized. Investigations revealed the illegal activity was carried out beyond the Right of Way boundary area parallel to the highway project area. "One hundred and ninety-eight pieces of logs valued at RM124,000 were seized by the Forestry Department pending investigations," said the Auditor-General's Report. The report added that the illegal logging became known during an investigation into a flood which happened in Mantin in Negri Sembilan in July 2008.

The Auditor-General's Report

Friday October 23, 2009

Award jobs through open tenders, says Puad

KUALA LUMPUR: The award of government contracts via direct submission of quotations by companies should be stopped to avoid price manipulation and wastage. Deputy Education Minister Datuk Dr Puad Zakarshi said if the practice was not abolished, the same issue would persist and continuously be highlighted by the Auditor-General. Instead, he said, contracts should be awarded via an open tender process to get the best deal from contractors and save public funds. He had been asked about the A-G report which highlighted a landscaping work costing RM60,000 or between 470% and 880% more than the market price in SK Bukit Jawa , Pasir Puteh, Kelantan.

Dr Puad said the cost was justified because the package included the cost of seeds, tree planting and maintenance. "The issue does not arise as we have received a report relating to the matter from the state education department director and the consultant," he added.

"This is my personal suggestion but I hope the Treasury will consider doing away with the practice (of direct submissions) as soon as possible," he told reporters after launching a new animation programme called "Boo & Me" here yesterday.

Dr Puad said office equipment and paraphernalia bought through quotations submission was relatively more expensive than those purchased in bulk directly from shops which even offer them at discounted prices.

The Auditor-General's Report

Friday October 23, 2009

It's RM1.14bil

OUR report on Tuesday on the Auditor-General telling the Government that it can seek compensation for losses incurred over the Ipoh-Rawang double tracking project, was mistakenly headlined as "Govt can seek RM1.4bil". It should have been RM1.14bil. The error is regretted.

The Auditor-General's Report

Friday October 23, 2009

Mortality rate for dengue rose

THE Health Ministry was unsuccessful in reducing the mortality rate for dengue cases due to the lack of manpower, facilities and cooperation from the public, the Auditor-General's (AG) 2008 Report said. An audit conducted from July to November last year showed that despite activities to prevent the spread of dengue, the number of deaths due to dengue increased each year. A total of 49,335 cases of dengue were recorded with 112 deaths last year. In 2006, the dengue cases stood at 38,556 with 92 deaths. Factors contributing to the increase included the lack of financial resources and limited manpower to initiate prevention activities.

The Auditor-General's Report

Friday October 23, 2009

Quarters not habitable, no schedule for maintenance

DESPITE an allocation of RM41.74mil to maintain 2,217 state government quarters in Sabah, 275 of them are in disrepair and uninhabitable. The Auditor-General's 2008 Report, which revealed this, also found that these government properties had been broken into and in need of measures to ensure their safety. The auditors also said disorganised maintenance, ambiguous specifications, shoddy work and lack of supervision led to the present state of affairs. The report said that the state Public Works Department (JKR) was responsible as it had not prepared maintenance schedules. Instead, it said, maintenance was performed on a purely ad hoc approach. "If there is a complaint from the resident of the quarters, JKR staff would check on the damage and do an estimate of the repair cost. "A tender process will then be called to appoint a qualified contractor," it said.

The report added that maintenance costs for quarters were restricted because it was shared with all other state government maintenance budgets. "Based on the available allocation, district engineers usually give priority to only dire cases," it said.

A survey of 100 quarters' residents found that 68% were "not satisfied with the condition of their quarters" while 38% responded that there was no maintenance done even after a complaint was lodged.

The Auditor-General's Report

Friday October 23, 2009

Officers cleared over petrol purchase

THE Penang Government has given a "clean bill" to its staff over three issues raised by the Auditor-General's Report over the purchase of petrol for official cars and the frequent change of tyres. State Financial Officer Datuk Farizan Darus said their investigations showed that there were no irregularities which could bring pecuniary interests to the drivers or to the state secretariat administration. "The incidents mostly occurred during the previous state administration. "We are now taking steps to improve and strengthen the existing system so that such cases do not recur," he said in a statement in George Town yesterday.

Farizan said there were no dubious petrol claims in the filling up of the tanks of three vehicles twice within a span of three to eight minutes between March and June last year. He said this was because each filling up of the tank was limited to RM200 each time in 2008 to control expenditure. "The tanks of two buses needed to be filled up twice for a long distance trip," he said.

On the tank of the Proton Perdana car (PHK 42) being filled up twice within a short time, he explained it actually involved two cars. "After PHK 42 had filled up its tank, another car PDC7722 also filled up at the same time using the indent card of PHK 42 since the indent card of PDC 7722 was damaged," he said.

Farizan said the tyres of several cars were changed frequently due to five reasons, including damage to the tyres.

The Auditor-General's Report

Friday October 23, 2009

Dead folk on the dole

By LEE YUK PENG, K. SUTHAKAR, IZATUN SHARI, and LESTER KONG

WELFARE aid totalling RM418,145 was paid out in cash to 184 people up to December 2008 in Perlis, but there are no records of the recipients with the National Registration Department, revealed the Auditor-General's Report. The report found that the Perlis Welfare Department also discovered that 26 recipients who died between 2007 and 2008 continued to receive cash aid totalling RM14,520. "In one case, the recipient continued to receive cash aid 20 years after he passed away," said the report.

The report also discovered another startling case where a department employee created 20 fictitious identities and paid out RM16,140 to them until December last year. The report said that the NRD confirmed that the recipients did not exist. "The Perlis Welfare Department lodged a police report against an assistant community development officer in February over the alleged misappropriation of funds," said the report, adding that police were still investigating.

"This case happened due to lack of monitoring and supervision from high-ranking officers. The incident could have been avoided if duty rotation among staff members was practised," said the report. The department explained that the cash aid was paid to representatives of the recipients. In one case, a representative was found to be receiving two sets of cash aid, one in Titi Tinggi and the other in Beseri, it said.

Such cases took place because there was no monitoring or checks and change of duty among staff, it said. "The auditors are of the view that cash aid should not be given to a representative or a proxy. The recipient never gave consent for such representation," the report said.

Friday October 23, 2009

AG's report reveals mismanagement of road construction in Sabah

TAWAU: The Jalan Sapulut-Kalabakan project linking Sapulut, Keningau with Kalabakan in Tawau, Sabah has fallen short of the objective. According to the Auditor-General's Report 2008, only a gravel road was constructed instead of a tarred road although RM565mil had been allocated for the project. "An audit check found that the soil investigation was not properly done, resulting in many unsuitable materials like logs that were used to build logging tracks along the designated route going undetected. "As a result, the scope of work had to be changed as tarred road could not be built. This was to ensure that the cost of the project did not exceed the contract price," it said.



Full load: Lorries filled with heavy loads like this frequent Jalan Sapulut- Kalabakan.

The report deduced that the construction of the road was not practical as the route was heavily used by two timber logging companies. "Logging trucks were using the road to ferry logs, weighing between 42.54 tonnes and 62.08 tonnes, way above the 30 tonne capacity of the road. "The frequency of logging trucks on the road had delayed the project and damaged its embankment and slopes and the drain alongside it," the report stated.

The audit check discovered potholes, sink holes, higher road shoulders, damaged drains and eroding river embankment due to shoddy work and poor maintenance. "The Public Works Department (PWD) should have ensured that the soil investigation was properly conducted before the project got off the ground," it said.

The Auditor-General called on PWD to ensure that the contractor concerned carry out repair work to prevent further damage to the road which could endanger motorists. The repair and maintenance works must be monitored periodically while an allocation could be sought under the 10th Malaysia Plan to tar the road, it added.

The Auditor-General's Report also pointed out that poor management of forests, including illegal logging, led to river pollution, landslides and destruction of flora and fauna in Pahang, Johor, Sarawak and Kelantan. The report found that the Lesong forest plantation project in Pahang, though undertaken with approval, had a serious impact on the environment. "The Pahang Forestry Department has to draw up a specific and comprehensive plan before implementing the project, taking into consideration the impact on the environment and also the permanent forest reserve being developed," it said. — Bernama.