

1. Petronas injects US\$70mil to upgrade training facility

BATU RAKIT: Petrolia Nasional Bhd (Petronas) launched a US\$70mil (RM231mil) industry scale training facility at its Institut Teknologi Petroleum Petronas (INSTEP) in Batu Rikit to boost training capacity and address the issue of the talent shortage in the oil and gas (O&G) industry.

The 200-acre INSTEP training centre is a 33-year-old facility built in 1981 when it was first known as Sekolah Latihan Teknikal Petronas and then Institut Latihan Perindustrian Petroleum.

Starting from a meagre 180-student capacity then, INSTEP now features both upstream and downstream training plants, complete with a drilling rig simulator through its INSTEP Integrated Oil and Gas Training Centre (IIOGTC).

The facility spans some three acres and assumes the actual workings of an oil rig at sea to give trainees a real-world perspective of O&G operations within a safe and contained environment; complete with substitute "minerals" like nitrogen, water and mineral oil for upstream works; and nitrogen, water and glycol for downstream activities.

Such training reaches to upskill Petronas' workforce as well as complement INSTEP's existing training programme, Instep chief executive officer Wan Azhar told reporters in a site visit.

The construction of two "live" upstream plant training facilities, a "live" downstream facility as well as training for upstream operations on site were tasked to international O&G services provider Petrofac.

UMW Oil & Gas Corp Bhd, meanwhile, is involved in the training of drilling technical professionals through its collaboration with Instep in the UMW-INSTEP Drilling Academy.

"Instead of poaching talent from competitors, Petronas will take the lead in training engineering technicians for the industry.

"We have an obligation to ensure industry workforce are competent and we want to become the education and learning hub for the O&G industry in the region," Petronas human resource management vice president Raiha Azni Abd Rahman told reporters at a press conference.

INSTEP's technical training curriculum aims to keep learning concise in order to efficiently bridge students' transition from tertiary education to the workplace, Wan said.

He added that INSTEP has produced some 10,000 certified technical professionals, both local and international, since its inception.

"As far as we know, we can safely attest to being the only provider of such a facility in the region," Raiha said.

Over the past few years, INSTEP has trained registrants from other industry players such as Shell, ExxonMobil and Talisman. Wan said the IIOGTC is expected to boost Instep's training capacity from 850 to 1,700 trainees per year.



Saturday April 5, 2014

2. World Bank comments on demographics, climate change and debt

IN the years to come, aging populations and changing weather patterns will place further pressure on governments in managing their deficits and national debt, made worse by the global financial crisis of 2008/2009.

Last month, the World Bank published a working paper from its global indicators group director Augusto Lopez-Claros on how issues such as population aging and climate change will contribute to rising fiscal pressures.

He points out that the global financial crisis of 2008/2009 highlighted the risks and vulnerabilities stemming from reduced fiscal space given how governments around the world, already indebted, reacted as the global financial system seized up and their economies slowed or went into recession

by providing liquidity, using public funds to buy troubled assets from financial institutions and injecting capital into financial institutions.

In Malaysia's case, the Government unveiled a RM7bil stimulus package in November 2008 to cushion the economy from the crisis. The package included infrastructure projects, low-cost housing and investments in strategic businesses with high impact on the economy.

Subsequently, in March 2009, a second stimulus package or "mini-budget" worth RM60bil was rolled out, which included RM15bil as fiscal injection, RM25bil in guarantee funds, RM10bil for equity investments, RM7bil for private finance initiatives and off-budget projects as well as RM3bil in tax incentives.

Population statistics

It was reported that Malaysia's population crossed the 30-million mark sometime in the early morning hours of Feb 27. This statistic may not mean much on the surface but for the fact that the country's population growth is on the downtrend due to a lower fertility rate.

According to estimates by the United Nations, Malaysia's total fertility rate stood at 2.96 births per woman at the turn of the 21st century. It is estimated that the fertility rate will have fallen to 2.58 births this year. This is consistent with Statistics Department data showing that between 2010 and 2040, the annual population growth rate will decrease from 1.8% to 0.6% with the population hovering around the 38.6 million mark.

The decline in the population growth rate and the subsequent increase in those aged 65 and over will have consequences as the total dependency ratio (that is, dependants in the age groups 0 to 14 and over 65 compared to workers aged 15 to 64) is projected to decline to 44.9 from 47.8 for the period between 2010 and 2040.

According to the Statistics Department's population projections report published November 2012, the population aged 65 years and over is projected to increase over three-fold that of 2010 during this period.

Based on current projections, the increase in the old-age population means the country will become increasingly greyer by 2021 when this age group comprises 7.1% of the total population.

While the percentage of those in the working age group remains stable and even increases slightly in the period under study to 69% of the population by 2040 (from 67.6% in 2010), there will be fewer Malaysians coming after them. The age group 0 to 14, which comprised 27.4% of the population in 2010, is projected to decline to 19.6% by 2040.

What this also means is that the working age population will increasingly have to bear the burden of supporting more people aged 65 and over as the mortality rate drops.

Plan for the future

Malaysia's population is still relatively youthful, with an estimated median age of 27.7 currently but this will rise to 29.9 in 2020, 33 by 2030 and 36 by 2040. However, when compared to Greece at 43.5, Italy at 44.5, Portugal at 41.1 and Spain at 41.6, all countries that were hit hard by the crisis and where public debt has risen to more than 100% of gross domestic product (GDP), Malaysia is not doing too badly except that public debt is pushing into the government's self-imposed 55% threshold.

The World Bank's Bangkok-based economist Frederico Gil Sander tells StarBizWeek that due to Malaysia's relatively young population, the fiscal burden of an aging population will hit the country later than other emerging countries in Asia, notably China and Thailand, but says it's never too early to start thinking of the right policies to ensure long-term fiscal sustainability.

"In that regard, extending fiscal analysis and moving towards a medium-term fiscal framework will be helpful for the Government to devise and implement the appropriate policies to meet these emerging challenges," he says.

Although Lopez-Claros did not specifically have a study on Malaysia, there is the worry that the lack of fiscal and financial probity in recent years may come back to haunt countries who are already highly indebted and in which there is a constraint to act should there be another financial crisis or recession.

Historic data from the International Monetary Fund's World Economic Outlook of 2010 shows that in the major advanced economies, the average fiscal deficit jumped from 2% of GDP in 2007 to

some 9% of GDP in 2009. In the eurozone, the budget shortfall as at end-2012 was 3.7% year-on-year, while for the EU, it was 3.9%, an improvement from the height of the sovereign credit crisis.

In the case of Malaysia, prior to the two stimulus packages, the budget deficit, as a percentage of GDP, stood at 3.2% in 2008 but climbed to a 20-year high of 6.7% the following year. In 2010, the deficit fell to 5.6%, then to 5.4% before narrowing further to 4.5% in 2012 and 3.9% last year.

Lopez-Claros noted that a particularly worrying feature of fiscal policies during the past 35 years is that deficits and rising public debts have been a permanent feature of the policy landscape.

"Whether we focus on the rich industrial countries or countries in the developing world, budget balances have been negative in every single year during the past 35 years, with an average deficit in excess of 3% of GDP for both groups of countries," he says, adding that shortcomings in fiscal management pose a serious threat to the global economy at a time when, for a variety of reasons, budgets are likely to come under increasing pressure in the coming years.

For Malaysia, the bane of fiscal discipline is the yearly supplementary budget. Last year, an extra RM15bil was tabled in a supplementary budget, a 6% increase from the RM249.7bil in Budget 2013 while the Budget 2012 original allocation of RM231bil saw an increase of more than 11% via two supplementary budgets of nearly RM26bil and for Budget 2011, an additional RM13.2bil was tabled from the original RM162.8bil allocated.

Malaysia's future generations do not only have to deal with budget deficits and public debt, but also the worrisome trend of lower development expenditure in the annual budget allocations while operating expenditure continues to rise. Lower development expenditure often mean that a government may not be spending enough for future growth.

Lopez-Claros, who says that the budget is where government priorities are ultimately reflected, points out that the problem with high public indebtedness is that it creates a terrible dilemma for governments because of how scarce public resources are diverted to debt-servicing rather than allocations for infrastructure, health or education.

"This, in turn, explains why only a minority of countries frame their budgets in a medium-term perspective, looking at the next three to five years, though future budgetary resources are

precommitted to an extent likely to severely reduce in the future the room for maneuver for government fiscal policies. It requires a high degree of political maturity, the right incentive structure, and no small amounts of administrative capacity to give adequate attention to problems the full impact of which will not be felt for another decade or two. Indeed, the more serious the short-term challenges faced by governments - let us think of the 2008-2009 global financial crisis and the intimidating series of onerous problems it created for governments virtually everywhere - the less attention given to longer-term issues, such as the fiscal implications of population aging," he adds.

The haze over climate change

Where climate change is concerned, Lopez-Claros says while the potential repercussions for the public finances of climate change are more worrying than those associated with population aging because the margins of uncertainty are that much larger, the uncertainties associated with climate change add a considerable degree of difficulty to public policy.

"The impact of global warming is expected to be felt with particular intensity in the developing world, because these countries tend to be located in the tropics and equatorial regions, their economies are heavily dependent on agriculture and many of their cities are to be found in coastal areas," he says.

In addition to the likely pressures on public spending to deal with the consequences of climate change, Lopez-Claros says one would also expect to the extent that weather-related catastrophes put a dent on economic growth (the losses of the wheat harvest in Russia are thought to have taken at least one percentage point off economic growth in 2010), there will be adverse repercussions for government revenue as well, putting additional pressures on budget deficits.

"Finally, there may be other effects as well which are difficult to quantify but which could also have fiscal repercussions. One that comes to mind is rising food prices because of reductions in the area of arable land and the depletion of fish stocks, both of which put pressure on governments to sustain or increase food subsidies for vulnerable groups in the population," he says.

3. **A-G Report: UPSI wasted funds by installing Public Address system**

JADUAL 2.3
KELUASAN BILIK MESYUARAT TIDAK PRAKTIKAL DENGAN PERALATAN

BILIK MESYUARAT	LOKASI	KELUASAN (M)	KAPASITI KERUSI DI MEJA MESYUARAT	BILANGAN MIKROFON	CATATAN
Bilik Mesyuarat 3	Aras 3, Blok 10	4.6m x 7.1m	14	20	Tiada keperluan PA sistem
Bilik Mesyuarat 1A	Aras G, Blok 7	4.8m x 7.1m	12	16	
Bilik Mesyuarat 1C	Aras 2, Blok 7	4.5m x 7.1m	12	16	
Bilik Mesyuarat Profesional	Aras 1, Blok 9	5.4m x 9.1m	16	20	Mikrofon berlebihan

Sumber: Lawatan Audit Pada 9 Oktober 2013 dan 12 November 2013

PETALING JAYA: The Sultan Idris University of Education (UPSI) was found to have wasted money by installing the Public Address (PA) systems that were impractical, according to the 2013 Auditor-General's Report.

An audit on four of the Tanjung Malim campus meeting rooms in October and November last year found that the number of microphones there was not practical given the size of the rooms and the small tables.

In one room, that had a size of 33 sq m and had 14 chairs, there were 20 microphones, the report cited, more than necessary.

GAMBAR 2.2
Pemasangan Peralatan PA Sistem Yang Tidak Praktikal
Dengan Keluasan Bilik Dan Meja



Lokasi: Bilik Mesyuarat 3, Aras 3, Blok 10
Tarikh: 9 Oktober 2013



Lokasi: Bilik Mesyuarat 1A, Aras G, Blok 7
Tarikh: 12 November 2013

The report also said that three rooms, which had 16-20 microphones each, did not need them.

In response, UPSI said it would shift the systems to four other rooms.

The Audit Department, however, said that only two of the rooms were suitable and that UPSI had spent RM24,000 to transfer the system.



Monday April 7, 2014

4. A-G Report: Half the equipment at two military hospitals with passed shelf life

PETALING JAYA: Almost half the medical equipment at the Armed Forces military hospitals in Lumut and Terendak had exceeded their shelf life, according to the 2013 Auditor-General's Report.

Audits were conducted on 1,323 types of medical equipment worth RM56.66mil at the two hospitals.

According to the "Estimated Useful Lives of Depreciable Hospital Assets" study by the American Hospital Association, hospital equipment had an average shelf life of 10 years depending on type and sensitivity.

However, the audit found that 332 (25%) types of equipment in the two hospitals were more than 15 years and 227 (17%), worth RM6.22mil, were between 10 and 15 years.

It said 764 (58%) types of equipment, worth RM41.35mil, were less than 10 years old.

It added that if the study was taken into account, both the hospitals were operating with 42% of equipment that was past its shelf life.



Monday April 7, 2014

5. Auditor-General's report makes 109 recommendations to plug weaknesses

PETALING JAYA: Over 100 recommendations have been made to correct the weaknesses highlighted in the Auditor General's report 2013.

The A-G's report contains observations from 17 programmes of 14 Federal ministries and departments and the management of two Government companies.

Auditor-General Tan Sri Ambrin Buang said among the weaknesses observed were improper payment, work not adhering to specifications, unreasonable delays, unreasonable price, management of contracts, weaknesses in revenue management and weaknesses in management of Government assets.

The report said that some of the weaknesses were due to negligence when complying with the Government's rules, programmes and scopes not being planned and identified properly.

Relevant heads of departments were informed beforehand of the issues highlighted in the report for verification purposes. This year, the relevant ministers were also informed of the issues reported.

"In order for corrective actions to be taken and improvements to be made a total of 109 recommendations were made by the National Audit Department," the report said.

The A-G's report evaluated whether Government activities had been managed efficiently, economically and in accordance with their stated objectives.

The audit encompassed various activities such as procurement, contract administration, asset management, construction, infrastructure, maintenance, education, health, human capital, revenue management, socio-economic upgrading programmes and environment.



Tuesday April 8, 2014

6. Health offices used funds meant for poor kids on own meals



Eye-opening read: Norhasniza Norkhalid, an assistant auditor with the National Audit Department, inspecting the A-G's Report 2013 (Series 1). — Bernama

PETALING JAYA: Money meant for food to feed malnourished children was instead spent on buying meals such as nasi lemak, kuih and teh tarik to be served at meetings by three district health offices.

The abuse is one of the key highlights of the 2013 Auditor-General's Report which listed 283 issues related to wastage of funds, poor revenue and asset management, negligence as well as weak planning and monitoring of projects.

The shocking discovery showed that RM87,851 out of RM923,000 meant to feed poor rural children was misspent by the Jerantut, Gua Musang and Kota Kinabalu health offices, causing a public uproar.

The report pointed out that the funds were also misused by the three health offices to buy curtains, hampers for cooking programmes, and replica models of food items such as biscuits, nasi goreng, and nasi lemak.

Souvenirs, t-shirts for a choir group, as well as the rental of canopies for a family day were also among the items purchased.

Discrepancies were also found between the prices of food items in the tender documents and invoices.

As a result of the discovery, the Health Ministry set up an internal investigation committee on Feb 27 to investigate and reprimand the officers involved.

Suhakam commissioner James Nayagam described the abuse involving hungry children as a serious crime that should be investigated by the Malaysian Anti-Corruption Commission.

"This is corruption no matter how you cut the cake, because money meant for hungry children was used to feed those who were supposed to take care of them," said Nayagam who has worked with children's organisations for the past 33 years.

The report said that the weight recovery of the children in the Health Ministry's Rehabilitation Programme for Malnourished Children, which started in 1989, also did not reflect the targets set.

The underweight children were found to have only achieved normal weight after a year and not within the six to 12 months promised by the programme.

A total of 8,556 children were in the programme between 2011 and 2013 with an allocation of RM66.51mil.

All the youngsters were supposed to receive food baskets comprising food items and multivitamins worth RM150 each under the programme.

The food baskets provided 104% of their calorie needs and 222% of their protein needs.

The report said some of the health offices went over the RM150 budget in buying the food items for the children due to the rise in the price of goods and the higher cost of certain items in rural areas.

A total of RM238,213 was overspent on the food baskets, with the Tawau health office found to have overspent by RM88.80 per basket.

The report said the ministry after being queried had set up an internal investigation committee on Jan 27 and that the probe on the matter was expected to be finished by the end of February.

The ministry had also explained to the auditors that it needed to spend not just on the malnourished children's programme but on other programmes as well.

The report in its recommendations said officers must have a good grasp of financial regulations to ensure that allocations were spent according to the rules.

Health Minister Datuk Seri Dr S. Subramaniam, when contacted, declined to comment, saying his ministry would issue a statement in due time.



7. A-G report: Acquisition of NCR land in Sarawak satisfactory

KUCHING: The overall management of reclaiming Native Customary Rights (NCR) land which have been issued with titles by the Sarawak government was satisfactorily carried out in accordance with Section 18 of the Sarawak Land Code 1958.

According to the Auditor-General's Report 2013, as of last September, 290,626ha from the 1.63 million hectares of NCR land were given titles under the Sarawak Land Code 1958.

For the period from 2011 to September last year, 476.61ha of NCR land were reclaimed by the state government for development involving 157 projects at an acquisition cost of RM322.22mil.

The report also proposed improvements to overcome weaknesses such as the fast-track approval of proposed sites without going through the Land and Survey Department, the process of acquiring land which exceeded the established norms and acquired land which have yet to be developed.

It also proposed that the state government ensure that each application for a project site via the fast track adhered to specific criteria and that the Land and Survey Department should be equipped with the Land Survey Information Centre System (LASIS) to enable it to better handle delays in land acquisition.

Apart from that, the audit found the management of palm oil sales revenue collection by the Sarawak government to be satisfactory.



Tuesday April 8, 2014

8. 'Probe status of RM560mil funds for Tamil schools'

THE Government should set up a special investigation commission to look into the disbursement of the RM560mil in allocations between 2009 and 2013 for the development of Tamil schools nationwide, Malaysia Nanban reported.

Malaysian Tamil Schools Students Recruitment Campaign president Datuk N. Muniandy, who made the call on Sunday, said the commission should identify the status of the allocations and whether they have been properly utilised.

He said Prime Minister Datuk Seri Najib Tun Razak had expressed unhappiness with the rate and speed of implementation during the launch of the action plan for the future of Tamil schools at a convention in February.

Najib had proposed giving Tamil schools direct access to development funds to bypass red tape.

He had also suggested that school boards take over the responsibility of tendering out projects, which is currently under the purview of the Education Ministry.

Muniandy said the Indian community was in the dark over the allocations.

> Tamil Nadu opposition leader and DMK chief M. Karunanidhi has urged voters not to vote for the AIADMK government led by J. Jayalalithaa in the parliamentary polls on April 24, Tamil Nesan reported.

Addressing an election rally in Coimbatore, about 300km from Chennai, he warned that the Tamil Nadu people would pay the price and there would be no land for the next generation if they did not heed his words.

> The body of a man, who allegedly committed suicide after being upset over not being paid for donating his kidney, was found near a bus stand in Kanpur, north India, on Saturday, reported Makkal Osai.

Police said they found the body of medical technician Anand Swaroop, 46, near a bus stand.

A suicide note said that one Nagendra Swaroop had asked Anand to donate his kidney in 2011 in return for a job and some money.

But after Anand donated his kidney, he was neither paid the money nor given a job.

Nagendra said he had nothing to do with the death but admitted that he obtained Anand's kidney in a transplant operation.

Found in Translation is compiled from the vernacular newspapers (Bahasa Malaysia, Chinese and Tamil dailies). As such, stories are grouped according to the respective language/medium. Where a paragraph begins with this ' >' sign, it denotes a separate news item.

9. A-G report: Hospital equipment worth RM2.58mil categorised as 'assets not found'

KUALA LUMPUR: Equipment worth RM2.58 million at Hospital Tengku Ampuan Rahimah (HTAR), Klang and Hospital Tunku Fauziah (HTF), Kangar, have been categorised as "assets not found" (V4L) or equipments not on location in the Auditor-General's report 2013.

According to the first installment of the report tabled at the Dewan Rakyat on Monday, as of Aug 31, 2013, a total of RM9,346 was paid for 26 pieces of equipment categorised as V4L with the fee status of 419 additional items unconfirmed.

The report added that the A-G's department could not confirm the status of certain equipment classified as V4L as there was no register of maintenance.

10. A-G report lists 283 spending-related issues

THE first instalment of the 2013 Auditor-General's Report was released in Parliament, listing 283 spending-related issues by government ministries, departments, statutory bodies and subsidiaries.

Out of this, 116 have been resolved while efforts to settle 142 others are ongoing. The remaining 25 have yet to be dealt with, according to the Auditor-General's online dashboard (<https://arts.audit.gov.my/>)

"In order for corrective action to be taken and improvements to be made, 109 recommendations were made by the National Audit Department," said Auditor-General Tan Sri Ambrin Buang in the report.

Items in the dashboard marked green will indicate that the issue has been identified and fixed, yellow will signify that work to resolve the problem is ongoing, while red means no action has been taken.

The number of issues raised in the first instalment of the 2013 report is more than last year's total of 256.

Ambrin said that the weaknesses noted included improper payment, wastage, and poor revenue and asset management. The weaknesses, he added, were due to negligence, poor planning, monitoring and project management.

Under a new system introduced in 2012, the A-G's Report that used to be presented once a year is now divided into three parts and to be tabled in the Dewan Rakyat's three meetings. This is to allow for greater public scrutiny.

Ambrin said the relevant department heads were informed beforehand on issues identified in the report before its release so that remedial action could be taken as soon as possible.

"Beginning this year, the relevant ministers were also informed so that they are aware of the issues reported and take immediate action."

Public Accounts Committee chairman Datuk Nur Jazlan Mohamed said PAC would call up five ministries - Agriculture and Agro-based Industry, Education, Home, Health and Works - that had been mentioned in the report.



Tuesday April 8, 2014

11. PTPTN record shows nurse earning RM27.4mil

THE National Higher Education Fund Corporation (PTPTN) was found to have "illogical" records of parents of loan applicants with a nurse said to be earning RM27.4mil.

"Information of parents or guardians' salary is important to determine the eligibility of the loan applicant. However, it was found that there were 384 record of salaries which were illogical compared to their job," the Auditor-General's Report said.

Among others, it showed that a policeman earned RM1.98mil; while a clerk was paid just RM34 and a settler got a paltry RM2. The report also discovered 921 duplicated records, with students having between two and seven similar accounts.

In its reply, PTPTN said that it would sort out its data on borrowers' information in its master file.

The archiving process is expected to finish by June

On another matter, the Auditor-General also criticised the agency for equipping its officers with both a personal computer and laptop, a move which cost more than RM100,000 in leasing fees. Yet, the 104 computers were left unused in storerooms.

"An officer should be allotted only one laptop which can be used both in the office or outside. Such a move could save PTPTN RM1.4mil in cost in three years."

The report said PTPTN branches in Pahang, Sarawak, Perak and Negri Sembilan had 49 desktops and seven laptops left in the storerooms.

In its reply, PTPTN explained that 87 out of 104 computers had been installed in stages at its branches while the rest were used to facilitate the printing of National Education Savings Scheme deposit cards at all PTPTN counters.

As for the Prisons Department, it was ticked off for keeping its bread-making equipment at inappropriate places such as car parks.

The equipment was meant for its Bread Industry Self-Sufficiency Programme where prisoners could acquire new skills.

However, an audit on five prisons showed that the machines were not properly kept.

In its response on Feb 4, the department said the machines had been moved to a safer place and that the rusty ones had been cleaned up.

12. EPF praised for profitable overseas investments

THE Employees Provident Fund (EPF) has been commended in the first instalment of the Auditor-General's Report for 2013 for its profitable ways in managing its overseas real estate investments.

"An audit carried out between August and November 2013 found that the management of EPF's real estate and infrastructure investment in Australia was well managed."

EPF's investments for 2013 amounted to RM586.66bil, of which RM14.36bil was in real estate and infrastructure.

It stated that EPF recorded a gross investment income amounting to RM35bil in 2013 compared to RM31bil in 2012 and RM27.2bil in 2011. EPF's return on investment from real estate and infrastructure amounted to RM1.14bil last year, 122.5% above the targeted annual return of RM930mil.

The investment in real estate and infrastructure last year increased by 10% to RM14.36bil compared to RM13.05bil in 2012.

Gross income from investment rose by 91% to RM1.14bil last year compared to RM596mil in 2012.

Under the Employees Provident Fund Act, EPF is allowed to invest outside of Malaysia with written permission from the Finance Minister.

13.58 defects, one month to get campus into shape



(Filepic) Sultan Azlan Shah campus building of the University Pendidikan Sultan Idris

Tanjung Malim: Despite just one month left to its defects liability period, the 58 setbacks found in the newly completed Sultan Azlan Shah campus (SASC) at Universiti Pendidikan Sultan Idris have yet to be repaired by the contractor.

The defects liability period was supposed to have ended on Jan 31.

The RM438.6mil campus was completed in 2012 but the Certificate for Occupation was still not issued as at Dec 31 last year, even though the building had been occupied since February 2012.

According to the 2013 Auditor-General's Report, the campus faced several post-construction problems such as poor installation of cooling towers and ineffective water proofing that affected its plaster ceilings.

There was also wrong installation of public address systems in its meeting rooms.

Its Building Automation System (BAS) and the Supervisory Control And Data Acquisition (SCADA), valued at RM3.6mil, were also not fully utilised.

The report also revealed that the university had to pay RM24,000 to remove the public address systems after several meeting rooms did not require it.

In a reply to the audit dated Jan 30 this year, UPSI said the defect liability period would end on May 31 this year and all 58 defects would be fully fixed by the contractor within three months and 28 days.

Bottom of Form



Wednesday April 9, 2014

14. A-G report notes discrepancies in Sukma equipment purchases



One of the vacuum cleaners at the Sukma secretariat in Indera Mahkota whose purchase price varied from RM400 to RM600 despite being of the same model and brand.

KUANTAN: There were striking differences in prices of equipment acquired for the 15th Malaysia Games (Sukma) despite being of the same type, size and brand.

The Auditor-General in his report for Pahang said the equipment included vacuum cleaners bought at between RM400 and RM600 each, whiteboards between RM590 and RM920 each, industrial fans between RM248 and RM650 each and trolleys between RM150 and RM600 each.

Other items were LCD television sets at between RM1,450 and RM2,300 and video cameras between RM1,600 and RM2,100 each.

The Auditor-General also found that support equipment was acquired from the same suppliers of the sporting equipment.

The report said suppliers who were not specialised in providing support equipment would obtain the items from other suppliers, who would then mark up the prices.

The Sukma 15 secretariat responded that the items were bought according to the sporting events and were requested by the respective technical committees.

It added that the suppliers of sporting and support equipment were appointed according to the type of sports contested to expedite the supply process.

"The selection of suppliers was made according to the lowest prices and many of the sporting equipment suppliers also provided the support equipment," said the secretariat in its response dated Oct 10 last year.

However, the Auditor-General felt that the difference in prices was due to each committee purchasing the same item from different suppliers.

The Auditor-General also discovered that up to 1,211 assets worth RM93,150 had gone missing due to theft, accident, natural disaster, depreciation, fraud and the negligence of officers.

Among the causes for the loss was the failure of the secretariat and committee to record the assets' movement during the organisation of Sukma 15 as well as the lack of monitoring the usage of equipment.

There was also wastage as up to 24 items bought for a total of RM120,688 still had not been used as of the day of auditing.

The secretariat responded that the landing foam mats it bought were not used for training sessions due to the late completion of the venue, while the weightlifting training bar sets had been utilised and returned to storage in Rompin.

"The vacuum cleaner for the sepak takraw event was not used because it was provided by the venue without the secretariat being informed," it said.



Thursday April 10, 2014

15. Islamic banking assets double to RM423bil at end-Feb accounting for 21% of banking asset

KUALA LUMPUR: RAM Ratings said the Malaysian Islamic banking industry's assets have almost doubled in the last five years, expanding to RM423bil as at end-February and accounting for 21% of the banking system's assets.

In a report on Wednesday, RAM said gross financing continued to outpace deposits last year.

"Financing for the purchase of vehicles constituted the largest portion (23%), trailed by housing (22%) and working capital (22%). The Islamic banking system's financing-to-deposits ratio rose to 82% as at end-February 2014, which may signal greater competition for Islamic deposits in the future," it said.

In terms of asset quality, RAM said the Islamic banking system's gross impaired-financing (GIF) ratio stood low at 1.4% as at end-February.

"Given the phenomenal growth experienced by Islamic banks over the last few years, there may be some uptick in the GIF ratio as these financing portfolios become seasoned.

"That said, the risk-management frameworks of financial institutions in Malaysia have come a long way since the Asian financial crisis; we believe asset quality indicators will remain resilient," it said.

RAM noted that Islamic banks in Malaysia are well capitalised, with common-equity tier-1, tier-1 and total capital ratios of 12.5%, 12.5% and 14.7%, respectively, as at end-February.

In February, AmIslamic Bank Bhd became the first Islamic bank in Malaysia to debut a Basel III-compliant facility, i.e. its proposed RM3bil subordinated sukuk murabahah programme.

This is followed closely by Maybank Islamic Bhd's proposed programme of up to RM10bil and RHB Islamic Bank Bhd's proposed programme of up to RM1bil.

"These capital securities carry a loss-absorption feature linked to a non-viability event as Malaysia had transitioned to the Basel III capital framework on Jan 1, 2013.

"These Basel III-compliant papers have been well-received and reflect investor confidence in Malaysian banks overall," it said.

RAM said the gradual derecognition of Basel II securities as qualifying capital, besides being an alternative source of long-term funding, would support the issuance of Basel III-compliant capital instruments for Islamic banks in Malaysia.



Saturday April 12, 2014

16. JPJ sets 5-year target to make sure all motorcyclists have licences

JERTEH: The Road Transport Department (JPJ) will ensure that approximately 3.35 million motorcyclists who have been riding without valid licences obtain the document within the next five years.

RTD director-general Datuk Sri Ismail Ahmad said this would be done through the implementation of two programmes, namely myLESEN programme for youth and One Community One RTD programme for those aged above 40 in Sabah and Sarawak and above 45 in the peninsula.

He said ever since the two programmes were introduced in 2009, the department had managed to issue motorcycle licences (B2) to 62,903 motorcyclists nationwide.

"The programmes were aimed at ensuring that motorcyclists will be able to ride according to the law," he told reporters after officiating the closing of the One Community One RTD programme in Gong Kemuntong here Saturday.

On another issue, Ismail said the number of road accidents recorded last year had increased by 14,781 cases to 477,204 from 462,423 in the previous year.

"Of the total, 6,915 deaths were reported last year compared to 6,917 in 2012," he said.

Ismail said as a measure to reduce the number of road accidents and fatalities, the department had also organised various other programmes, including the setting up of the 1RTD Young Squad, to highlight the importance of road safety among the public, especially young motorists.

"The RTD will also ensure that the squad's memberships will reach the target of 300,000 by end of this year. As of March 31, the squad has registered 28,778 members through its special counters nationwide," he said.



Tuesday April 15, 2014

17. Seatbelt use rulling for all bus passengers to be fully enforced in five years

SEREMBAN: The ruling for mandatory seatbelt use for all bus passengers will be fully enforceable in five years' time, if a Transport Ministry proposal comes into play.

"We expect in the next five years, we can fully enforce the use of seatbelts on coach buses for the safety of passengers," said Deputy Transport Minister Datuk Ab. Aziz Kaprawi, adding the Ministry would be discussing the matter with the Road Transport Department (RTD) and the Land Public Transport Commission (SPAD) soon.

"Although it may take a little longer to fully enforce it, we are looking at the new requirement of seatbelts on buses as one of the conditions for approval of licenses," he said at a press conference

after the launch of the new buses of Sistem Kenderaan Seremban-Kuala Lumpur Sdn Bhd (SKS-KL) on Tuesday.

He said the use of seatbelts on buses would greatly help minimise the impact in the event of a collision.

Aziz noted most new buses had the necessary safety features.

"The new buses meet safety requirement standards and are equipped with suspension, anti-lock braking systems, front disc brakes and the latest mechanical systems," he said.

He said a study would also be focused on the requirement to install Global Positioning System (GPS) trackers and speed limiters to ensure drivers comply with road safety regulations.

Aziz reminded bus companies to only hire qualified drivers with good track records in light of increasing incidences of accident caused by negligent drivers. - Bernama



Wednesday April 16, 2014

18. School safety to be made KPI for principals

PUTRAJAYA: School safety will be made a key performance indicator for school heads to reduce the number of break-ins and accidents in schools, said Second Education Minister Datuk Seri Idris Jusoh.

He said it was the responsibility of school heads to ensure that security guards stationed in schools carried out their duties.

"When it comes to safety in schools, break-ins are not the only concern. There are cases of students getting injured from damaged facilities in the school," Idris said after launching the Occupational Safety and Health programme yesterday.

On the controversy surrounding the closure of Albukhary International University, Idris said the welfare of the students should be given top priority.

"The university is entitled to close but they have to take care of the welfare of the students so their studies will not be disrupted," said Idris.

He said the ministry had given the assurance that the welfare of the students would be looked after and it was in the midst of investigating the closure of the university.

Six of its students filed a suit against the institution for allegedly failing to give a notice of closure as required by the Private Institutions of Higher Learning Act.



Saturday April 19, 2014

19. MACC urges more Chinese to join as officers

PETALING JAYA: The Malaysian Anti-Corruption Commission (MACC) is calling on more members of the Chinese community to join the commission as officers in efforts to combat corruption.

MACC Chief Commissioner Tan Sri Abu Kassim Mohamed said MACC needed this participation, especially by newly-graduated youths, to educate the Chinese community on the scourge of corruption and also to handle their complaints.

"There is a lack of Chinese officers in MACC. It cannot be denied that salary is a main factor for them when looking for employment.

"Nonetheless, the salary of an MACC officer is actually relatively high compared to the private sector, especially among degree holders," he said in a dialogue session with the Chinese community at the Sin Chew Daily headquarters here.

He said Chinese youths interested in joining MACC could refer to the Public Service Commissioner website for recruitment as well as application procedures.

The two-hour dialogue session was organised by the Chinese language Sin Chew newspaper and was attended by more than 70 participants from the community. - Bernama



Tuesday April 22, 2014

20. SPAD to suspend 27 KTB bus permits

PETALING JAYA: Twenty-seven Konsortium Transnasional Bhd (KTB) bus permits for the Kuala Lumpur-Kota Baru route will be suspended from April 23, following the Bentong crash that claimed three lives on April 12.

The Land Public Transport Commission (SPAD) said an audit on KTB found that the company did not monitor its bus fleet's speed limits, and that the Global Positioning System (GPS) on these buses were not working.

"SPAD will in effect on April 23, 2014, suspend 27 Transnasional express bus permits on the east-north sector route, following an accident involving the company," its chief executive Mohd Nur Ismal Kamal said in a statement.

He warned that similar action would "definitely" be taken against operators whose buses were involved in accidents last week if they were found to have violated licence conditions.

Following this action against KTB, he said SPAD would audit all bus operators in the peninsula on the monitoring of their GPS speed limit compliance. Operators who fail to follow set conditions will have their licences suspended.

Mohd Nur said SPAD would require operators to:

Appoint controllers to monitor the speed limit of buses in realtime, and act if drivers break speed limits;

Take strong action against drivers who violate safety regulations and report them to SPAD;

Update their drivers' details through SPAD's Driver Information System;

Present their GPS speed limit observation reports to SPAD, and explain speed limit violations, if any; and

Display bus supervisor hotline information in and out of the bus for passengers' convenience.

Mohd Nur also said that SPAD was studying the possibility of using "black boxes" and speed limiters in trade vehicles.

On April 12, a Somali and his pregnant Malaysian wife and another passenger were killed in a bus crash near Bentong. Ten others, including the driver, who later tested positive for drug, were injured.

On April 19, 10 people were injured when an express bus crashed into a road divider on the East Coast Highway.



Friday April 25, 2014

21. MaGIC signs MoUs on entrepreneurship with US organisations

CYBERJAYA: Malaysia has collaborated with two US organisations on empowering entrepreneurship efforts in the country.

The Malaysian Global Innovation and Creative Centre (MaGIC) on Friday inked a memorandum of understanding (MoU) with Stanford University and UP Global for this purpose.

Prime Minister Datuk Seri Najib Tun Razak, who witnessed the signing ceremony, said he believed in the young people, their passion, energy and creativity.

"As the Government, we got to create opportunities for them by building an ecosystem to turn their dreams into successful businesses and industries.

"This is what MaGIC is about- to be a truly global centre for successful stories of young entrepreneurs," Najib said at the ceremony.

Najib is scheduled to appear at the MaGIC headquarters in Cyberjaya on Sunday with United States president Barack Obama for the official launch of the centre.

Under the MoU with Stanford University, MaGIC will collaborate with the California-based university's Graduate School of Business, School of Engineering, and its Technology Ventures Program to improve the entrepreneurship curriculum within selected Malaysian universities.

MaGIC is also expected to send selected entrepreneurs to the Silicon Valley for training.

The partnership with international non-profit body UP Global is designed to increase the level of entrepreneurial activity and new company creation in Malaysia aimed at developing Malaysia as a global start-up hub whilst connecting Malaysian entrepreneurs with international communities.

This initiative will support 5,000 new entrepreneurs within a year, according to a statement from MaGIC.

Najib also witnessed the signing of MoU involving several other organisations, including Malaysian Biotech Corporation and QB3; and the Malaysia Venture Capital Management Berhad (MAVCAP) with Elixir Capital and 500 Startups.

All the MoU were driven towards expanding entrepreneurship development programmes whilst complementing MaGIC's initiatives.

MaGIC was established by the Government with a RM50mil allocation under Budget 2014 to be a one-stop centre to facilitate entrepreneurs in starting and growing their businesses.

22. 60,000 jobs under Tukar and Atom schemes by 2020



Proud moment: Hasan (centre) and Domestic Trade, Cooperatives and Consumerism Ministry chief secretary Datuk Alias Ahmad (third from left) posing for photographs with the excellence award recipients in Putrajaya.

PUTRAJAYA: More than 60,000 job opportunities are expected to be created by 2020 under the Government's plans to modernise traditional sundry shops and automotive workshops.

Tukar, or the Retail Shop Transformation Programme, is expected to generate 51,450 jobs and contribute RM5.5bil to the gross national income (GNI), said Domestic Trade, Cooperatives and Consumer-ism Minister Datuk Hasan Malek.

He said the Automotive Workshop Modernisation (Atom) Programme is targeted to achieve a GNI impact of RM1.1bil and create 9,100 jobs.

"We must always remember that for every sen of the rakyat's money that we spend, we must bring a multiple-fold return of investment.

"Hence, all planning and implementation of programmes or activities must be inspected thoroughly to produce the best impact by optimising all resources and avoid wastage," Hasan said in his speech, the text of which was distributed to reporters at the ministry's staff excellence awards ceremony here yesterday.

He said 522 shops were given a facelift under the Tukar programme last year while 203 automotive workshops joined the Atom programme in the same period.

A total of RM149mil was allocated from 2011 to 2013 to implement Tukar, which provides participating neighbourhood grocery shops with financial assistance and training to modernise their businesses and allow them to better cope with increasing competition.

The Atom programme offers a soft loan of RM100,000 for participating automotive workshops and RM50,000 for motorcycle workshops at a 3% interest rate and a repayment period over 15 years.

Both are projects introduced under the wholesale and retail National Key Economic Area.

Hasan, who did not meet reporters at the event, made no mention of the Auditor-General's Report 2013 released earlier this month which found that 26% of the Tukar shops surveyed had recorded a decline in sales.

The National Audit Department, which visited 70 of the 1,609 Tukar shops in the course of its audit, said 18 among these stores recorded a decline in sales.

The Auditor-General also reported that 10 shops had to close their businesses due to a lack of capital, difficulties in securing supplies and managing their finances.



Tuesday April 29, 2014

23. Govt has been fair to all, says Zahid

KUALA LUMPUR: The Government has given fair treatment and accorded equal opportunity to the non-Muslims in Malaysia, says Home Minister Datuk Seri Dr Ahmad Zahid Hamidi.

"We have given equal opportunities to the non-Muslims. The Malaysian Government has been fair to all religious faiths. I don't think there has been any obstacles in practising one's faith.

"You have to respect all religious beliefs before they give respect to us," Dr Ahmad Zahid told reporters here after launching the fourth Asean Workshop on Effective Justice Responses to Trafficking in Persons.

He was responding to remarks by US President Barack Obama at a town hall meeting with young leaders from the region on Sunday.

At the Young South-East Asian Leaders Initiative, Obama was asked by a participant from Myanmar what would be his advice to leaders of the next generation on how to deal with diversity, such as differences in race, language and belief.

The American President replied that the biggest source of conflict around the world, war and hardship, was about treating those who were not like them differently and that the rights of the minorities, including in countries such as Myanmar and Malaysia, should be protected.

"Here in Malaysia, this is a majority Muslim country. But then, there are times where those who are non-Muslims find themselves perhaps being disadvantaged or experiencing hostility.

"In the United States, obviously historically the biggest conflicts arose around race. And we had to fight a civil war and we had to have a civil rights movement over the course of generations until I could stand before you as a President of African descent," he said.

Obama pointed out that with the world getting "smaller", no country was going to succeed if part of its population was put on the sidelines because they were discriminated against.



Wednesday April 30, 2014

24. Consumer confidence in M'sia below global average: Nielsen

KUALA LUMPUR: Consumer confidence in the country has taken a hit as Malaysians continue to worry about the economic outlook, food prices and job security this year, according to a Nielsen survey.

Malaysia saw the region's largest decline in confidence between the fourth quarter of 2013 and the first three months of 2014, declining six index points to 92. This is two points below the global average of 94 points, says the latest Nielsen Global Survey on Consumer Confidence and Spending Intentions.

In contrast, Indonesia's confidence index score remained the highest globally at 124 points in Q1 2014, while the Philippines scored 116, followed by Thailand at 108, Singapore and Vietnam at 99 points each.

"It is interesting that the well-known political challenges have had hardly any effect on Thai consumers, who remain generally optimistic about their financial situation," Luca Griseri, head of Nielsen's financial services in Singapore and Malaysia.

Griseri said the negative sentiment was driven primarily by rising fuel and grocery prices due to the reduction in government subsidies."

The Q1 survey, which queried 30,000 respondents with Internet access in 60 countries, uses a baseline of above and below 100 points to indicate optimism and pessimism

Compared to the last quarter, 39% of Malaysians cited the economy as their main concern (up 4 percentage points), followed by 21% who are worried about rising food prices (down 2 pp) in the coming six months.

Job security remained in third position with a slight dip to 20% (down 3 pp).

Malaysian consumers are also concerned about their health (up 5 pp to 16%) and increasing utility bills (up 3 pp to 14%) as compared to previous quarter. On the contrary, concern surrounding debt (down 6 pp to 13%) and crime (down 5 pp to 13%) registered a decline versus last quarter.

Consequently, saving intentions among consumers in Malaysia continue to increase, with more than three in five consumers saving their spare cash in Q1 2014 after covering essential living expenses (up 1 pp to 64%).

In addition, Malaysians have cut back on expenses for home improvements (down 4 pp to 14%) and basic out of home entertainment (down 2 pp to 16% versus previous quarter) in an effort to rein in household expenses.

"Malaysian consumers' reaction to concerns about the economy is to save more and spend less on discretionary items, to prepare for a possibly worsening economic climate. If these intentions materialise, they could have a negative effect on the economy," Griseri noted.

Consumers in Malaysia also said they would continue to reduce household spending even when economic conditions would improve in order to increase saving.

The five areas they intend to continue cutting back are 1) gas and electricity (41%), 2) purchase of new clothes (28%), 3) out-of-home entertainment (28%), grocery (cheaper brands, 26%) and telephone expenses (21%).

"Despite Malaysian consumers' tendency to save for a rainy day, it is interesting to note that they are still willing to spend on holidays," Griseri noted.