



**PENGERUSI JAWATANKUASA
KIRA-KIRA WANG NEGARA (PAC)
MERANGKAP AHLI PARLIMEN IPOH TIMUR**
PEJABAT JAWATANKUASA KIRA-KIRA WANG NEGARA
PARLIMEN MALAYSIA, JALAN PARLIMEN
50680 KUALA LUMPUR

Tel : 03-2601 7263 / 2698 6852 (DL)
Faks : 03-2698 9218
Email : pacparlimen@parlimen.gov.my
Laman Web : <http://www.parlimen.gov.my/pac>

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MEDIA STATEMENT REGARDING THE FEDERAL GOVERNMENT FINANCIAL STATEMENTS 2019.

1. The Public Accounts Committee (PAC) had heard a briefing by the Auditor-General on the Federal Government Financial Statements 2019 tabled at the Dewan Rakyat today.
2. In the nearly three-hours presentation, the PAC was informed that on the overall, the Federal Government Financial Statements ending 31 December 2019 showed the true and fair financial position of the Federal Government with its accounting records updated and orderly maintained.
3. The Auditor-General also informed that the Federal Government Financial Statements 2018 have been given a Certificate of Opinion Without Reprimand with some things needing attention (Emphasis of Matter).
4. Among the EOM is regarding the use of money amounting to RM3.942 billion from the Development Allocation and the Operating Allocation channeled in the form of grants to 11 companies to repay loans. Although the use of the money does not violate Section 8 of the Loans Act 1972, the Auditor-General is of the opinion that the matter does not reflect the correct accounting procedures from an audit perspective.

5. Therefore, the Auditor-General is of the opinion that if the Government wants to channel money to Government-owned companies to repay loans, it should be recorded as an "advance or claimable loan".
6. The PAC has been informed by the Auditor-General that the Government and the Accountant General are more transparent in preparing the Financial Statements, where the notes to the Financial Statements provide a clearer picture to enable NAD to cite the issues. For example, Note 5(b) of the Operating Expenditure and 7(a)(i) of the Development Expenditure have automatically raised the issues cited in the EOM.
7. The Auditor-General has also emphasised on the investment issues of the National Trust Fund (KWAN) which involved accounting irregularities in terms of auditing as stated in the LKAN.
8. With regard to the Federal Government's debt, it has increased to RM792.997 billion in 2019 compared to RM741.048 billion in 2018, with the debt to Gross Domestic Product (GDP) ratio at 52.5 percent compared to 51.2 percent in the year 2018. The total Federal liability is RM1,080 billion or equivalent to 71.5% of the liability to GDP ratio.
9. A total of 59.9% or RM82,723 billion of the total New Loan Receipts amounting to RM138.559 billion has been used for the Principal Payment for Domestic Loans. Only 29.7% or RM41.151 billion is used for Development Expenditure purposes. Such a situation should be fixed.

Thank you.

YB Wong Kah Woh