



**PENGERUSI JAWATANKUASA  
KIRA-KIRA WANG NEGARA (PAC)  
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## **MEDIA STATEMENT**

### **HON. DATUK WIRA MAS ERMIEYATI BINTI SAMSUDIN, CHAIRMAN OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)**

Assalammualaikum W.B.T and Greetings to Hon. Wong Shu Qi, Vice Chairman of PAC and PAC Members who are able to attend the PAC's first media conference today. Thank you to friends from the media, who are also attending this media conference.

- 1) This is the first media conference for the PAC of the 15th Parliament after this Committee was officially formed with the appointment of members by the Dewan Rakyat on 24 May 2023. Before that, Hon. Wong and I were appointed by the House as Chairman and Vice Chairman of PAC in the motion brought by the Prime Minister and seconded by the Deputy Prime Minister on 3 April 2023.
- 2) Once PAC is formed, I called for the first meeting on 6 June 2023 with a briefing from the PAC Secretariat. On 7 June, which was yesterday, I received a briefing from the National Audit Department (NAD) and today, from the Malaysian Anti-Corruption Commission.
- 3) Although I am a Member of the Dewan Rakyat from the Opposition bloc, as Chairman of the PAC, I assure all my friends that PAC will continue to function as a neutral and non-partisan Select Committee of the Dewan Rakyat. In fact, I also remind my PAC friends to leave any form of political or party ideology when in the PAC or when speaking as a PAC Member. This is the strength of PAC as a Select Committee, which is a model for the establishment of the Special Select Committee (JKPK) of the Dewan Rakyat.
- 4) In fact, in the new JKPK Terms of Reference, JKPK cannot be involved in any matter that has been, is being and will be discussed by PAC. Tan Sri Yang di-Pertua Dewan Rakyat himself in my meeting with him assured that he would refer to me first as the Chairman of the PAC regarding matters to be brought up by the JKPK, whether the matter has been, is being and will be discussed by PAC.
- 5) The composition of PAC members is 8 Members of the Dewan Rakyat from the Government bloc and 4 Members from the Opposition bloc. Despite the smaller number of Opposition Members, I take the approach to hear opinions and feedback from all PAC Members and all decisions is made by consensus.

## **TOPICS FOR PAC PROCEEDING**

- 6) Referring to the debate on the motion of the Auditor General's Report (LKAN) 2021 Series 2 tabled by the Government last Tuesday, although the Opposition bloc decided not to debate the motion because it is agreed that the authorities should take all the actions reported in the LKAN, but it does not mean that PAC has ignored the issues raised by Members of the Dewan Rakyat during the debate.
- 7) I need to emphasise that PAC has very wide powers not only in the Standing Order 77(1)(c) but also in the Treasury Instruction as well as the PMD General Circular.
- 8) In fact, PAC is the only Dewan Rakyat Select Committee that has specific power under the Treasury Instruction and PMD General Circular to summon the Comptrollers or Secretary General (KSU) of Ministries to be present before this Committee.
- 9) For that reason, after listening to the NAD's briefing session regarding the Auditor General's Report Year 2021 Series 2 yesterday, PAC has decided on three topics for the PAC proceedings.
  - First, the issue of Receipt and Payment under Social Obligations of the Concession Agreement for the National Paddy and Rice Industry Management. PAC will call the Secretary General of the Ministry of Agriculture and Food Security on 14 June 2023 to obtain an explanation regarding the weaknesses in the receipt of funds in the form of finance and assets as well as the payment of the Paddy Price Subsidy Scheme as follows :-
    - i. Loss of public money amounting to RM37 million due to obligation fund in 2021 which is yet to be received;
    - ii. Irregular payment of RM0.73 million which is the payment of the Paddy Price Subsidy Scheme to deceased paddy farmers;
    - iii. The supplier of machinery did not meet the schedule which caused a loss of RM 3.12 million; and
    - iv. A waste of RM0.87 million for unused and broken machinery.
  - Second, the Management of the Covid-19 Outbreak. PAC has decided to call the Secretary General of the Ministry of Health and the Secretary General of the Ministry of Science, Technology and Innovation on 15 June 2023 to scrutinise the following matters :-
    - i. A total of 1.1 million vaccine doses have expired as of 30 April 2022;
    - ii. 93 ventilator units could not be used out of 136 ventilator units obtained; and
    - iii. The usage ratio of boot cover and protective suit/coverall compared to the remaining stock is 2.2% and 3.1% with a balance of 3.08 million and 0.84 million pairs respectively.
  - Third, FELCRA Berhad where the Financial Position cannot be summarised due to the Audited Financial Statements for 2019, 2020 and 2021 are yet to be finalised. Following that, the Secretary General of Treasury, Secretary General of the Ministry of Rural and Regional Development and the Chief Executive Officer of FELCRA Berhad will be summoned on 27 June 2023 for the proceeding.

10) In addition, PAC will also get a briefing on the Jana Wibawa Programme from the Ministry of Finance.

**Progress of the Second Generation Patrol Vessel Construction Project - Littoral Combatant Ship (LCS) for the Royal Malaysian Navy (TLDM) under the Ministry of Defence**

11) I have met with Hon. Amira Aisya and Mr. Amir Hadi from the MUDA Party regarding the memorandum for the Malaysian Government to conduct a more serious investigation into the LCS issue.

12) PAC of the 15th Parliament will begin a Working Visit to the TLDM naval base in Lumut, Perak this Saturday and commence the proceedings on the Progress of the Second Generation Patrol Vessel Construction Project - Littoral Combatant Ship (LCS) owned by TLDM.

13) In accordance with the recommendation from the PAC of the 14th Parliament that wants the Ministry of Defence to submit the latest developments to PAC every three (3) months, PAC of the 15th Parliament will also be tabling the LCS Progress Report every 3 months to the Dewan Rakyat. For this report, it will touch on the construction progress made from October 2022 until May 2023.

**PAC Open Proceedings**

14) I would like to emphasise that PAC proceedings must be held openly. I believe this is in line with the institutional reform agenda by the Madani Government.

15) I have also been informed that the Chairmans of the Dewan Rakyat Special Select Committee of the 15th Parliament share the same hope with me and has raised this matter during their meeting with the Speaker of the Dewan Rakyat.

16) It is with great hope that open proceedings can be initiated next year so that the people can see that all PAC proceedings are conducted in a transparent, accountable and credible manner thus increasing trust in the democratic process in this country.

17) I believe the administration of the Parliament of Malaysia are prepared and has the ability in terms of human resources and IT equipment to carry out open proceedings.

**Vacancy of the Auditor-General Position**

18) I also want to touch on the vacancy of the Auditor-General's position of which I raised in the Dewan Rakyat last Tuesday because this important position has not been filled for four months after Datuk Seri Nik Azman Nik Abdul Majid's contract ended last February.

19) The main issue regarding the vacancy in the position of Auditor-General is that, without the Auditor-General, the Auditor General's Report cannot be tabled, only the Auditor-General can submit his report to the Yang di-Pertuan Agong who give his assent for the report to be laid before the Dewan Rakyat in accordance with Article 107(1) of the Federal Constitution.

20) Among the Auditor General's Reports that could not be tabled in the Dewan Rakyat on the Second Meeting of the Dewan Rakyat this time are the Auditor General's Report on

the Financial Statements of the Federal Government Year 2022 and the Auditor General's Report on the Financial Statements of Federal Agencies Year 2021.

21) Because of that, it is expected to be brought to the Third Meeting in October. This matter will burden NAD and PAC because there are many reports that need to be scrutinised and investigated.

#### **Appointment of the Auditor-General**

22) I would also like to emphasise that the Government needs to appoint an Auditor-General who has a background in accounting and auditing to provide added value to NAD in carrying out auditing process in a professional manner.

23) The appointment of former Secretary General of Ministries as Auditor-General should be avoided although the justification for appointing former KSU is because they know about the ins and outs of public administration, but it is better for the Auditor-General to have a professional background in finance or audit.

#### **Additional Allocation to the National Audit Department**

24) In addition, NAD has financial constraints since the allocation provided by the Government is insufficient. This matter hinders the work carried out by NAD plus with the Parliament's move to debate the motion on the Auditor General's Report.

25) Therefore, I hope the Government will review these matters so that the auditing process by NAD can be improved.

#### **Media Conference every Thursday**

26) Finally, PAC will continue to carry out the responsibility and trust that has been given to this Committee and PAC will hold a media conference every Thursday during Dewan Rakyat session for the 15th Parliament.

Thank you.

Hon. Datuk Wira Mas Ermieyati binti Samsudin  
Chairman of PAC