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**Press Statement by The Hon. Dato' Sri Hasan Arifin, Chairman of Public
Accounts Committee (PAC) of The Parliament Regarding the Tabling of
PAC Report on The Management of The Infrastructure and Facilities of
Malaysian Armed Forces' Wisma Transit Under the Ministry of Defence
Malaysia (MINDEF)**

- 1) PAC tabled the PAC Report on the Management of the Infrastructure and Facilities of Malaysian Armed Forces' Wisma Transit Under the Ministry of Defence Malaysia (MINDEF) at the House of Representatives.
- 2) This issue is the findings of the National Audit Department (NAD) in the Auditor General's Report 2014 Series 1, tabled in the Parliament on 6 April 2015.
- 3) PAC called for proceedings on this issue on 15 March 2017 by calling MINDEF Secretary-General, Datuk Seri Abdul Rahim Mohamad Radzi to give explanations on the issue raised by NAD in the Auditor General's Report 2014 Series 1.
- 4) In the proceedings, PAC members raised the following issues:
 - i) Some Maintenance Bonds of RM760,000.00 cannot be liquidified.

- 5) Based on the proceedings, PAC summarised that:
- i) there are weaknesses and negligence in the management of WTKL contract when the officer responsible is not sensitive to the Government regulations in force. This should be a lesson to MINDEF in choosing a competent and capable contractor in executing a Government contract.
- 6) Based on the above summary, PAC recommends the following to the Government:
- i) PAC takes a serious look at MINDEF's negligence on the WTKL's maintenance bond issue and urges legal action against Al-Hidayah Investment Bank (Labuan) to be made immediately to recover the RM760,000.
 - ii) MINDEF should ensure that contractor submits bank guarantee from financial institution registered under the BAFIA Act 1989.
 - iii) Officers should be more sensitive to Government regulations in force to avoid any negligence and loss in carrying out Government procurement.
 - iv) PAC doubts LFSA's action that allows Al Hidayah Investment Bank (Labuan) to operate in Labuan.
 - v) PAC urges the Government to investigate the action of LFSA in allowing Al Hidayah Investment Bank (Labuan) to operate in Labuan.
 - vi) If there is a need, PAC will call LFSA to give an explanation on this issue.
- 7) For those who like to read further on the PAC Report on the Management of the Infrastructure and Facilities of Malaysian Armed Forces' Wisma Transit Under the Ministry of Defence Malaysia (MINDEF), it is available for download at www.parlimen.gov.my/pac