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PAC MEDIA STATEMENT

PAC REPORT ON THE MANAGEMENT OF THE COVID-19 OUTBREAK: EXPIRED VACCINES, UNUSEABLE VENTILATOR EQUIPMENT AND EXCESS OF PERSONAL PROTECTIVE EQUIPMENT (PPE) UNDER THE MINISTRY OF HEALTH (MOH)

1. PAC members and I take note of the views/questions/feedback on the PAC Report regarding the Management of the COVID-19 Outbreak: Expired Vaccines, Unusable Ventilator Equipment and Excess of PPE under the Ministry of Health (MOH) which was presented on 30 October 2023.
2. This proceeding is held as a follow-up to the audit findings reported in the Auditor General's Report (LKAN) Year 2021 Series 2, Activities of Ministries/Departments/Federal Government and Federal Statutory Bodies. The PAC has heard a briefing regarding this LKAN on 7 June 2023 before decided to investigate issues related to the Management of the COVID-19 Outbreak.
3. In fact, this issue received the attention from Members of the Dewan Rakyat when debating the LKAN during the Second Meeting of the Second Session of the 15th Parliament on 6 June 2023.
4. The PAC held 4 proceedings regarding this issue on 15 June 2023, 22 August 2023, 14 September 2023 and 21 September 2023. The meeting to prepare this report was held on 16, 17 and 18 October 2023. Meanwhile, the verification meeting on the draft of the report was held on 26 October 2023.
5. The PAC took **5 months and 2 weeks** before this report was tabled in the Dewan Rakyat on 30 October 2023. This long period of time proves that the PAC conducts these proceedings transparently and carefully in ensuring that this report is produced comprehensively.

6. The PAC held 4 proceedings and the witnesses who presented before the PAC were MOH, PHARMANIAGA Berhad, Member of Parliament for Ayer Hitam, who was the former Minister of Transport, former Secretary-Generals of MOH and the company IDS Medical Systems (M) Sdn. Bhd.

THE MECHANISM TO PREPARE PAC REPORT

7. I would like to clarify that all PAC Reports are produced through proceedings held with evidence obtained from explanation and documents provided by witnesses. The PAC received evidence from all parties that were involved directly in the issues discussed during the proceedings.
8. The PAC report is a revelation to the government to take appropriate action since PAC does not have the authority to prosecute, instead PAC gives recommendations to the Government to improve the Government's governance either in terms of management or procurement.
9. Following the tabling of the PAC Report on the Management of the COVID-19 Outbreak: Expired Vaccines, Unusable Ventilator Equipment and Excess of PPE under the Ministry of Health (MOH), the PAC will issue a letter to the Ministry of Health and give the Ministry two months to answer the five recommendations provided by the PAC. After the PAC conducts feedback proceedings, the PAC will present a Follow-up Action Report on this issue containing the MOH's feedback to the PAC's recommendations in the Parliament.
10. Hence, in every issue investigated by the PAC, two reports will be produced, the first being the PAC Report where the PAC will provide a summary and recommendation on the issue. After that, the PAC will present a second report which is the PAC Report regarding the Ministry's feedback to the PAC's recommendations.
11. Both reports will go through five meetings before they can be produced and presented in Parliament and it shows how committed PAC is, in letting the people to know what the Government is doing with all the summary and recommendations made by PAC.

12. The people can evaluate the actions taken by the Government regarding the recommendations raised by the PAC to see if the Government is truly serious in their actions.
13. I would also like to clarify that every PAC report that is presented needs to be approved by seven permanent representatives of the Government (Ex-Officio) from the Attorney-General's Chambers, the Public Service Department, the Ministry of Finance, the National Audit Department, the Malaysian Anti-Corruption Commission, the Ministry of Economy and the Accountant General's Department.
14. All PAC Members including seven Ex-Officio need to agree by consensus with the report, summary and recommendations before it is tabled in the Dewan Rakyat.
15. There has never been any PAC report that has to go through a division even though this is allowed in the Standing Orders of the Dewan Rakyat.
16. The report produced by consensus proves that the PAC is a non-partisan Committee where all its members are independent from their political ideology when they attend the PAC meeting. What is important for us is to ensure that the people's money is spent prudently for the benefit of the country and the people.

EMPOWERMENT OF THE ROLE OF PAC

17. In line with the powers given to the PAC, PAC focuses on issues in Government administration that are identified as having the elements of Waste, Misappropriation and Abuse of power as well as Leakage.
18. In this aspect, the close cooperation between the PAC and the National Audit Department (NAD) has been the main pillar to ensure that public sector accountability is always the main agenda and for the PAC, it carries out the oversight function for the legislative branch, which is the Parliament.
19. However, PAC does not have the authority to request NAD to conduct an audit directly on ministries/agencies/departments as well as any bodies that receive Government funds as it is subject to the Audit Act 1957.

20. This is a constraint to the PAC because if the PAC wants NAD to carry out an audit on any ministry/agency/department and body that receive Government funds, especially if the issue is not reported in the LKAN, the PAC needs to apply to the Auditor-General, the Ministry of Finance and the Prime Minister's Department and subject to their discretion to allow NAD to carry out auditing on behalf of PAC.
21. Accordingly, the PAC hopes that the Government will amend the Audit Act 1957 so that the PAC can request the NAD to directly audit any ministry/agency/department and body that receives Government funds when required by the PAC.

DECLASSIFICATION OF THE GOVERNANCE, PROCUREMENT AND FINANCE INVESTIGATION COMMITTEE (JKSTUPKK) INVESTIGATION REPORT RELATING TO THE LAND SWAP PROJECT UNDER THE MINISTRY OF DEFENCE

22. I would also like to touch on PAC's application for the declassification of the Investigation Report of the Governance, Procurement and Finance Investigation Committee (JKSTUPKK) regarding the Land Swap Project under the Ministry of Defence.
23. I have received a reply letter on 22 September 2023 from the Minister in the Prime Minister's Department (Law and Institutional Reform), Hon. Dato' Sri Azalina binti Othman Said, who informed me that feedback/comments from relevant agencies should be obtained before a decision is made as to whether this report has merit to be declassified or not. The results of the feedback/comments will be informed to me later.
24. The answer given by the Hon. Minister is very disappointing, considering that this is not the first time that the JKSTUPKK report has been declassified.
25. Previously, the JKSTUPKK Report regarding the Procurement of Six Second Generation Patrol Vessels (SGPV), Littoral Combatant Ship (LCS) capable of the Royal Malaysian Navy, the Ministry of Defence and the JKSTUPKK Report regarding the Automated Enforcement System (AES) were declassified to enable PAC to carry out proceedings.

26. The answer provided by the Hon. Minister of Law and Institutional Reform is seen as if the Government is trying to delay the declassification of this report, causing the PAC to be unable to conduct proceedings regarding this issue.
27. Therefore, PAC hopes that the Government immediately declassifies the JKSTUPKK Report regarding the Land Swap Project under MINDEF as soon as possible.

The Proceedings on the Management of Training Fund and the Effectiveness of the Human Resources Development Corporation (HRD Corp.) Training Programme

28. As informed, PAC is currently conducting proceedings regarding the Management of Training Funds and the Effectiveness of the HRD Corp Training Programme with the first proceedings being held on 23 October 2023.
29. So far, four witnesses have presented before the PAC to give statements and explanations, namely:
- i. **YBhg. Datuk Hj Amran bin Hj. Ahmad**, Deputy Secretary-General (TKSU) (Policy and International) of the Ministry of Human Resources;
 - ii. **YBhg. Datuk Wira Shahul Dawood**, Chief Executive of HRD Corp;
 - iii. **YBhg. Datuk Rosli bin Yaakob**, former Member of HRD Corp Board of Directors; and
 - iv. **YBhg. Datuk Grace Chia Hui Yen**, former Member of HRD Corp Board of Directors.
30. Today, the PAC summoned Hon. Mr. V. Sivakumar, Minister of Human Resources to give explanation and statement about HRD Corp as this company is under the Ministry of Human Resources.

Thank you.

Hon. Datuk Wira Mas Ermieyati binti Samsudin
Chairman of PAC