



COMMITTEE CHAIRMAN
PUBLIC ACCOUNTS COMMITTEE(PAC)
also MEMBER FOR THE ROMPIN CONSTITUENCY
PUBLIC ACCOUNTS COMMITTEE OFFICE
PARLIAMENT OF MALAYSIA, JALAN PARLIMEN
50680 KUALA LUMPUR

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

2 August 2017

**PRESS STATEMENT BY THE HONOURABLE DATO' SRI HASAN BIN ARIFIN, CHAIRMAN
OF PUBLIC ACCOUNTS COMMITTEE (PAC) OF THE PARLIAMENT REGARDING THE
TABLING OF PAC REPORT ON THE MANAGEMENT OF THE CONSTRUCTION PROJECT
OF SHAH ALAM HOSPITAL**

- 1) PAC tabled the PAC Report on the Management of the Construction Project of Shah Alam Hospital, under the Ministry of Health at the House of Representatives today.
- 2) This issue was raised in the Auditor General's Report 2013 Series 3, tabled in the House of Representatives on 10 November 2014.
- 3) PAC called for proceedings on the issue of the Construction Project of Shah Alam Hospital, Selangor, on 1 April 2015, by calling the Secretary General of the Ministry of Health, Datuk Farida Mohd Ali and the Deputy Director General (Infra Sector) of Public Works Department, Datuk Ir Adanan Mohamed Hussain to give explanations before the PAC on the issues raised.
- 4) In the proceedings, PAC raised the following issues:
 - i) Appointment of contractors and Performance of Construction Project;
 - ii) Management of Medical Devices;
 - iii) Increase in project cost; and
 - iv) Project monitoring
- 5) Based on the statements of the witnesses, who are being called to give explanation before the PAC, the Committee summarised that:
 - i) Failure to complete the construction of HSA is due to an inexperienced contractor in hospital construction;
 - ii) PAC also agrees with the improvement done by PWD to overcome the weakness in the construction of HSA by monitoring the construction by GESB as the contractor to complete the project;

- iii) The management of the construction of HSA has to be carried out more thoroughly and efficiently and can be utilised according to the objective thus getting the best value for money for every Ringgit spent by the Government; and
 - iv) Good cooperation between MOH, PWD and contractor is necessary to ensure the smooth running of the project.
- 6) Based on the above summary, PAC recommends the following to the Government for further improvement:
- i) Appointment of contractors through limited tender is more effective for complex projects such as hospital than direct negotiation;
 - ii) The contractor to be appointed shall has the expertise and experience in the construction of hospital; and
 - iii) The Government must ensure the overpayment of RM68.53 million as stated by NAD in the Auditor General's Report 2013 Series 3 is reclaimed from SFSB to avoid losses.
- 7) For those who like to read further on the PAC Report on the Management of the Construction Project of Shah Alam Hospital, Selangor, it is available for download at www.parlimen.gov.my/pac.