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MEDIA STATEMENT BY HON. DATO' SRI HASAN ARIFIN, CHAIRPERSON OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) ON THE TABLING OF THE MANAGEMENT OF AQUACULTURE PROGRAMME BY THE NORTHERN CORRIDOR IMPLEMENTATION AUTHORITY (NCIA) UNDER THE PRIME MINISTER'S DEPARTMENT.

- 1) PAC tabled PAC Report on the Management of Aquaculture Programme by the Northern Corridor Implementation Authority (NCIA) under the Prime Minister's Department (PMD).
- 2) This issue was raised in the Auditor-General's Report Year 2014 Series 2 that was tabled in the Dewan Rakyat on 15 June 2015.
- 3) Following that, PAC has begun its proceeding for the issue on 18 November 2015 by calling Datuk Seri Othman Mahmood, Senior Deputy Secretary-General of PMD and Datuk Redza Rafiq Abdul Razak, Chief Executive of NCIA to explain before the Committee all issues raised in the Auditor-General's Report Year 2014 Series 2.
- 4) In the proceeding, PAC has raised issues as below:
 - i) Key Performance Index (KPI) that is not in line with the objective of the NCIA's Aquaculture Programme.
 - ii) Poor programme planning.
 - iii) No basis to define financing and loan repayment rate.
 - iv) Cages or fish ponds that are not used to the optimum.
 - v) The location of processing factory is not included in the scope of agreement.
 - vi) The operation of processing factory owns by Ace Front Industries Sdn Bhd (AFISB) in Kamunting, Perak is suspended temporarily.
 - vii) Poor terms of agreement.
 - viii) 'B' class license for boat ownership status.
 - ix) Insurance for the transit and quarantine centre for Sungai Menghulu aquaculture programme (PASM) Phase 1.
- 5) Based on the statements given by the witnesses, PAC unanimously concludes that:
 - i) PAC agrees that there are weaknesses in planning, implementation and monitoring level of the programme that led to the failure to achieve the objective outlined by the NCIA's Aquaculture Programme thus cause losses to the Government.

- 6) Based on the summary, PAC recommends the following suggestions for future improvement:
- i) PAC takes seriously the negligence of NCIA for not conducting Feasibility Study to ensure the project is viable.
 - ii) NCIA needs to have good governance and prepare a Standard Operation Procedure (SOP) Manual in assessing, choosing a lead company at implementation level and the impact of the project.
 - iii) NCIA needs to recoup the fund provided to all companies if it is proven that the initial agreement between NCIA and the company requires recoup to be carried out by the company.
 - iv) NCIA needs to ensure the Government's interests are protected before making any agreement with companies.
 - v) NCIA needs to have a standard mechanism to determine the recoup that needs to be paid by the implementing company.
- 7) Public who are interested to read the PAC Report on this issue can download the report at PAC website at www.parlimen.gov.my/pac