



**CHAIRPERSON OF PUBLIC ACCOUNTS
COMMITTEE (PAC)
CUM MEMBER OF PARLIAMENT FOR
ROMPIN**
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>

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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 ORANG ASLI SOCIO-ECONOMIC DEVELOPMENT PROGRAMME UNDER THE MINISTRY OF RURAL AND REGIONAL DEVELOPMENT (MRRD)

- 1) PAC tabled the PAC Report on the Management of Orang Asli Socio-Economic Development Programme under the Ministry of Rural and Regional Development (MRRD) at the House of Representatives today.
- 2) The issue was raised in the Auditor General's Report 2014 Series 3, tabled in the House of Representatives on 23 November 2015.
- 3) PAC called for proceedings on this issue, on 5 September 2016 and Dato' Mohd Ariff Bin Ab Rahman, Secretary-General of MRRD at that time, was present before the PAC to give explanations on the issues raised in regards to the Management of Orang Asli Socio-Economic Development Programme.
- 4) In the proceedings, PAC raised the following issues:
 - i. **No Approval was given for the Extension of Time from the Quotation Committee.**

Extension of time for two quotations worth RM220,000 and RM424,500 respectively were not approved by the Quotation Committee but were only approved by the Director and Deputy Director of JAKOA. No delegation of power was given to both the Director and Deputy Director.
 - ii. **Dysfunctional Water Meters.**

Meters installed in seven areas involving 809 houses were dysfunctional and did not benefit the Orang Asli in those areas.
 - iii. **The overlapping of project.**

There are some of Orang Asli settlements that receive water supply facilities via two programmes, namely, Treated Water Supply (BAT) and the Housing Assistance Programme (PBR) led the houses to have two water tanks and the water was supplied from two sources. Failure to coordinate the two projects has resulted in wastage.

iv. The Justification on the Construction of Suspension Bridge at Kampung Santeh, Kuala Kangsar, Perak.

There was no justification for the construction of a suspension bridge worth RM404,161 in Kampung Santeh, Kuala Kangsar, Perak. The bridge does not lead to any road. In addition, the contractor failed to complete the project even the extension of time was given until 17 February 2014. The need to impose a penalty on the contractor for failure to complete the work is not stated in the quotation document of the project.

v. Managing Rubber Seed Planting.

Planting rubber conventionally by participants was not properly organised due to the lack of monitoring by the JAKOA District Agriculture Officer. This condition caused the seedlings to be stunted in growth.

5) In this regard, PAC has summarised that:

- i) The installation of water meter for water supply to settlement of Orang Asli is a waste because the real purpose of installation of meter is to educate Orang Asli to use water prudently.
- ii) The cost of meter installation is made in a lump sum and is not broken down by the cost of meter, transportation and installation. Such method has given the impression that there is a significant difference in the cost of installing meter at the settlement of Orang Asli.
- iii) The introduction of an initiative such as charging the water bill to the Orang Asli has been done without holding any engagement with them even though the aim is to educate them.

6) The recommendations by PAC:

- i) A more efficient and economical method to be used to educate the Orang Asli community to use water prudently and not by installing water meter that was not later not being used;
- ii) Lump sum cost method should not be used in the installation of water meter. Costs shall be detailed according to the cost of meter, installation and transportation for future projects;

- iii) Engagement should be held with the leader of Orang Asli community before any reform introduced to them;
 - iv) MRRD and JAKOA will be called in the future to give clarification to PAC on the approach taken in relation to the effectiveness of the installation of water meter; and
 - v) MRRD and JAKOA should be more sensitive and thoughtful in managing the affairs of Orang Asli as PAC takes seriously the weaknesses reported by NAD and if NAD does not perform audits on this issue, there is a possibility that the practice of taking things lightly in managing the Orang Asli will continue to happen in the future.
- 7) For those who like to read further on the PAC Report on the Management of Orang Asli Socio-Economic Development Programme Under the Ministry of Rural and Regional Development (MRRD), it is available for download at www.parlimen.gov.my/pac.

The Honourable Dato' Sri Hasan Arifin
Chairman of Public Accounts Committee
Parliament of Malaysia