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Media Statement by The Hon. Dato' Sri Hasan Arifin, the Chairman of the Public Accounts Committee (PAC) regarding the Tabling of The PAC of the Parliament Report of the Hospital Sultanah Nora Ismail, Batu Pahat, Johor Upgrading Project under the Ministry of Works (KKR) and Ministry of Health (KKM).

1. PAC today, tabled a PAC Report on the Hospital Sultanah Nora Ismail, Batu Pahat, Johor Upgrading Project under the Ministry of Works (KKR) and Ministry of Health (KKM) in the House of Representatives.
2. This issue involves the findings by the National Audit Department (JAN) during the tabling of Auditor-General's Report (LKAN) Year 2014, Series 3 which was tabled at the Parliament on 23 November 2015.
3. The PAC held proceedings regarding this issue on 19 April 2017 which involved KKR Secretary General represented by Deputy Secretary General (Policy & Development Sector), Datuk Abdul Razak Jaafar and KKM Secretary General, Dato' Seri Dr Chen Chaw Min in order to explain the issue that has been raised by JAN.
4. During the proceedings, the PAC members have brought up issues as follows:
 - i) Certificate Practical Completion (CPC) that was issued one year earlier.
 - ii) Delay in Repairing Defects.
 - iii) Indirect Losses
 - iv) JKR's Role in Project Monitoring

5. PAC has done a site visit to Hospital Sultanah Nora Ismail, Batu Pahat, Johor on 2 October 2017 to see themselves the physical development at the hospital such as lift lobby, Level 1, Block B, Level 6, Block B and Level 3 High Dependency Ward.
6. Based on the proceedings, PAC has concluded that:
 - i) even though this project has been run based on the direct negotiation as well as the JKR design and build should beforehand review the weaknesses in certain design components of the project that appear to be unsuitable and did not achieve the standard of a hospital.
7. Hence, PAC has suggested to the Government to:
 - i) The selection of contractors and consultants to run the Government's projects particularly health facilities need to be done based on the financial and technical ability especially for direct negotiation appointments.
 - ii) The method of appointing and paying the consultants should be reviewed by the MoF whereby the Government will pay directly to the consultants even though the method of construction is based on design and build so that the process of check and balance exists.
 - iii) PAC has requested KKR to make a report to relevant Professional Board against any negligence committed by the contractors and consultants. The relevant Professional Board should decide on the criteria to determine the professionalism of the consultants so that it is always monitored and compliant.
 - iv) Appointed consultants for the Design and Build project need to register with the Ministry of Finance (MoF). Appointed contractors need to register with CIDB under the following specializations which are B04 and B29;
 - v) KKR should blacklist all the contractors and consultants that are involved in the Hospital Sulatanah Nora Ismail Upgrading Project due to their negligences and delay of the project.
 - vi) MoF should review the Circular that provides project vehicle facility in order to ensure they fully comply with the applicable project requirements and those vehicles are the property of the Government not the contractors.
 - vii) JKR should explain their role as superintending officers for the design and build project as well as direct negotiation since this Department should cover the Government's interest whereby for this project, the CPC is under the JKR's responsibility.
 - viii) JKR should follow all their Guidelines as well as all the circulars that are issued by the Treasury in running the project.

8. Public who is interested of reading and reviewing the PAC Report regarding the Hospital Sultanah Nora Ismail, Batu Pahat, Johor Upgrading Project under the Ministry of Works (KKR) and Ministry of Health (KKM) can download the report from PAC website at www.parlimen.gov.my/pac

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