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**Press Statement by The Honourable Datuk Seri Dr Ronald Kiandee,
Chairman of Public Accounts Committee (PAC) Cum Member of Parliament for Beluran
Regarding the PAC Report on The Management of Redevelopment of Facilities at National
Sports Complex (KSNBJ), Kuala Lumpur (Project 1) Via the Public-Private Partnership
Method Under the Ministry of Youth and Sports (KBS).**

- 1) PAC tabled the PAC Report on the Management of Redevelopment of Facilities at the Bukit Jalil National Sports Complex (KSNBJ), Kuala Lumpur (Project 1) under the Public Private Partnership Method under the Ministry of Youth and Sports (KBS) today.
- 2) This issue is the findings of the National Audit Department (NAD) in the Auditor General's Report 2017 Series 2, tabled in the Parliament on 3 December 2018.
- 3) PAC called for proceedings on this issue on 9 January 2019 by calling Dato' Lokman Hakim Ali, Secretary-General of KBS and Azman Fahmi Osman, Chief Executive Officer of *Malaysia Stadium Corporation (PSM)*.
- 4) In the proceedings, PAC members raised the following issues:
 - i) Maintenance of KSNBJ;
 - ii) Reimbursable Sum amounted to RM176.91 million;
 - iii) Faulty Fire Alarm System;
 - iv) Fire Certificate from Fire and Rescue Department;
 - v) Renovation within the Defects Liability Period (DLP); and
 - vi) KSNBJ Business Model.

- 5) Based on the statement given by Dato' Lokman Hakim and Azman Fahmi, PAC summarised that: -
- i) The KBS has successfully coordinated the execution of the project 1 in a short period of time, which was 17 months ahead of Kuala Lumpur Sports Games 2017. The issuance of the Certificate of Completion and Compliance (CCC) to Rukun Juang Sdn Bhd (RJSB) was done after receiving confirmation from Fire and Rescue Department (JBPM) as well as other local authorities, which have confirmed that the KSNBJ was in good condition and functioning as required by the Government. The execution of the project by RJSB was also of high quality because it has successfully received accolades at the international level after undergoing redevelopment;
 - ii) The PSM failed in playing its role effectively due to lack of funds, unsystematic planning, unorganised records for assets and maintenance; and
 - iii) The PSM did not play its role in producing a sustainable business model by utilising the potential of each facility at the KSNBJ.
- 6) Following that, PAC recommends the following to the Government: -
- i) Creating a Standard Operating Procedure (SOP) Manual to provide thorough and comprehensive maintenance to ensure that Government assets are utilised properly to extend the life of the assets;
 - ii) PSM should provide an estimate to finance the maintenance costs for KSNBJ including the survey to find the benchmark for the best stadium in other countries;
 - iii) PSM should provide a revenue expenditure forecast to ensure that there is sufficient funding to finance the maintenance for all stadiums under the supervision of PSM. PAC also requested KBS to prepare the budget and supplementary budget if PSM could not generate sufficient income;
 - iv) Recommends PSM to work with RJSB to provide SOP as well as training for PSM staffs and to create tender documents for a thorough stadium maintenance contract within the DLP period, which will end on 21 July 2019;

- v) KBS and PSM should obtain and retain important project-related documents such as as-built drawing and maintenance records in digital format and should be kept properly; and
 - vi) Recommends the Auditor General to perform a follow-up audit on PSM after 2 years from the date of the PAC report being tabled prior to submission to PAC.
- 7) Besides that, PAC Members and I also took note and we satisfied with the RJSB's ability to complete the redevelopment of KSNBJ's facilities within a period of 17 months thus enabling the success of organising the Kuala Lumpur Sports Games 2017. This enables KSNBJ to earn 10 awards, both at the international and national level, i.e. Winner of Stadium of the Year by the World Stadium Congress 2018 Award (Netherlands), Winner of Exterior Lighting Design Award 2018 (Bangkok), Winner of The International Architecture Award 2018 (USA) and Winner of CIDB SHASSIC 5 Star Award 2017 at the national level.
- 8) For those who like to read further on the PAC Report on the Management of Redevelopment of Facilities at the Bukit Jalil National Sports Complex (KSNBJ), Kuala Lumpur (Project 1) via the Public-Private Partnership Method under the Ministry of Youth and Sports (KBS), it is available for download at www.parlimen.gov.my/pac

Thank you.

The Honourable Datuk Seri Dr Ronald Kiandee
Chairman of PAC