

07/10/2001

Pay promptly, ministries told (HL)

Sarban Singh

KUALA LUMPUR, Sat. - Irked by the delay in the distribution of billions of ringgit made available to stimulate the economy, the Government may make ministries or departments pay a surcharge if they are found to have delayed payments to those undertaking their projects.

Treasury secretary-general Tan Sri Dr Samsudin Hitam said the secretary or the head of the Finance Division in the ministry or department would be asked to give a written explanation why this should not be done.

He said this in a circular to all ministries.

It is understood that the individual in charge would have to pay the surcharge if the delay in payments is deliberate.

"The Cabinet views the delay of payment to contractors and suppliers very seriously as this can jeopardise the Government's efforts to stimulate the economy.

"We want to remind all individuals in charge to adhere to the rulings that have been made, which includes that all bills should be settled within 30 days," he said.

Samsudin said the ministries and agencies should settle half of the payment the moment they receive the bills from the contractors.

He also told all ministries to have a proper method of filing their bills.

Checks by the Treasury, he said, also revealed that a big number of agencies did not maintain their bills registry in the proper manner.

As such, he directed them to undertake the following:

- \* to prepare a proper billing register and to record all payment claims;
- \* to check and acknowledge the bills at least once in three months;
- \* to find ways to overcome the delays in payments in their respective financial management and accounts committees; and,
- \* to appoint a special officer in charge of maintaining the bills registry.

Samsudin said the Treasury would monitor closely the problem related to the late payment of bills by asking the ministries and agencies to submit monthly reports on any delays.

"The Treasury will also make regular checks to ensure these provisions are adhered to by all concerned," he said.

The Finance Ministry has also set up a special unit to look into complaints from contractors or suppliers who do not receive payment for their work.

The late payment to contractors and those undertaking government projects also received the attention of Prime Minister Datuk Seri Dr Mahathir Mohamad.

At a Press conference on Aug 27, Dr Mahathir said despite the Government's efforts to boost the economy, only RM200 million of the RM3 billion fiscal stimulus package announced in March had been utilised.

Urging Malaysians to put in greater effort, he said such a tiny push was not going to do much to stimulate the economy.

The RM3 billion pre-emptive package had focused on large infrastructure projects. This was in addition to the RM26 billion allocated under Budget 2001.

The Government announced another RM4.3 billion stimulus package on Sept 25 to cushion the impact of an imminent global economic slowdown.

The new package would focus on small development projects, welfare,

training of retrenched workers and the unemployed, and tourism promotion.

Dr Mahathir said the rest of the measures would be announced in the 2002 Budget to be tabled Oct 19.