

## **TalentCorp operates without CEO for two years, no internal audit**

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Talent Corporation Malaysia Berhad (TalentCorp) has been operating without a CEO since June 2018, one month after Pakatan Harapan took over Putrajaya.

This was among the concern raised in the Auditor-General's Report 2019, which highlighted the poor management and why it failed to achieve its target in making Malaysia as one of the global brain gain destinations.

"Overall, its corporate governance practice was less satisfactory. The position of the CEO had not been filled up since June 2018," read the report.

The board appointed two officers as the deputy CEOs who were assisted by four senior managers.

A chairperson, two months after his appointment, was given the role of the CEO in November 2019. He, however, quit in February.

In November last year, two deputy CEOs were instructed to take leave following their involvement in the setting up of Malaysia Expatriate Services Centre Sdn Bhd (MYXpats), a so-called TalentCorp subsidiary, which the audit team found to be a private company.

While noting that the Malaysian Code on Corporate Governance (MCGG), a set of best practice of corporate governance, the report, however, said TalentCorp board was not independent.

"An audit inspection found that, as of February, the board comprised two members. The composition of the TalentCorp board was 100 percent not independent," noted the report.

The report further revealed the absences of the standard operating procedure (SOP) on the responsibility of the board, as stipulated in the MCGG, as well as the existing of a charter for the board of directors.

"The audit committee and internal audit have yet to be established," read the audit report released yesterday.

TalentCorp board only held a meeting once for the year 2016, 2017 and 2019. No meeting was called in 2018.

In its reply, TalentCorp said the human resources minister had proposed three candidates for the director posts and they will be appointed in August.

TalentCorp also said it would propose to set up an audit committee and internal audit in a board meeting next month.

The audit officers conducted an audit into the Returning Expert Programme (REP), the core business of TalentCorp, as well as corporate governance and financial status for the year 2016 to 2019.

MYXpats came into the picture when the board of TalentCorp agreed to set up a "subsidiary" to handle the application of individuals applied for REP, with the support of the immigration.

However, a check by the audit team found that MYXpats was not a TalentCorp subsidiary, but a private company owned by individuals.

This was contradictory to a government decision that an expatriate centre was set up to handle the process. The audit report noted that this was important to protect the secrecy of information and the interest of the government.

In its reply, TalentCorp said MYXpats became its subsidiary in April.

TalentCorp only achieved 27.6 percent of its 1,000 returning experts target for 2019. This was less than 309 returning Malaysians recorded in 2018.

TalentCorp only recorded a nine percent success rate in job matching arrangement for the returning Malaysians in 2016. It did not trace the success rate the following years.

The audit team also concluded that TalentCorp could not achieve its target in placing Malaysia as one of the top 20 destination countries for experts as in the list of Global Talent Competitiveness Index (GTCI) 2020.

"This is because it did not set an annual target to achieve the outcome," the report explained.

Based on the minutes of the meeting held by the board, the audit report found that the matter was never discussed in the meeting.

This resulted in the programmes implemented by the management not heading toward that aspiration in making Malaysia a preferred choice for global experts to work.

In its reply on June 12, 2020, TalentCorp said the GTCI was the outcome of

various ministries and agencies while TalentCorp only focuses on the intervention of talents.

In the Talent Roadmap 2020, various initiatives would be strategised to address talent issues in eight years.

The audit report also pointed out that TalentCorp has failed to monitor and follow up on returning Malaysians, who enjoyed certain tax incentive and continue to stay in the country.

For the record, the returning Malaysians contributed to RM93.91 million in the context of gross national income between 2016 and 2019.

TalentCorp, the brainchild of former prime minister Najib Abdul Razak, was set up in October 2010. It was allocated a total of RM492.4 million from 2011 until 2019.

It was originally placed under the Prime Minister's Department but transferred to the Human Resources Ministry two years ago.

A 2015 report done by the World Bank on TalentCorp showed that 150,000 of the 311,000 Malaysians who had emigrated overseas were tertiary-educated and

considered "high-skilled".

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