

Alarming trends detected in T'ganu
Malaysiakini.com
October 26, 2010

Oil-rich Terengganu's financial position, while rated 'satisfactory' in the Auditor-General's Report 2009, reveals alarming trends that call for prudence in spending.

The state's accumulated fund has been falling for three consecutive years, from RM1.04 billion in 2006 to RM240.45 million in 2009.

"For 2009, the accumulated fund recorded a fall of RM164.20 million or 40.6%, compared to RM404.65 in 2008," said the report.

Last year's drop was due to a deficit of RM274.05 million in the state government's consolidated revenue account.

The state, controlled by BN, has only managed to reduce its operating expenditure by RM5.04 million to RM1.79 billion, even though its income decreased RM132.55 million to RM1.51 billion.

The opposition had previously criticised the state government for its excessive expenditure, the highest among all the states, when its poverty rate is among the highest.

The audit report revealed that oil royalty, the largest income source, has decreased 14.1% to RM1.21 billion, from RM1.41 billion in 2008.

"It means that the state government still needs to use its consolidated trust fund (to cover the deficit), as happened in 2008," the report read.

Its debt stood at RM1.01 billion, much higher than its accrued income and collectible loans of RM 455.58 million.

"The state government should practise prudent spending and collect the accrued income and debt from the state agencies," said the report.

Perlis, another BN-controlled state, also faces a serious deficit problem - its consolidated account has been declining over the last three years.

Its accumulated fund decreased another 4.5% last year to RM33.92 million, while debts increased 24.1% to RM78.84 million.

Sabah, BN's best performer

Sabah was the best-performing BN-led state - one of only two states nationwide rated 'good' for its financial position, other than Penang which is controlled by Pakatan Rakyat.

"Its cash liquidity is very good because its current assets are enough to cover the current liability."

Its accumulated fund increased 13% from RM2.05 billion in 2008 to RM2.32 billion in 2009.

Its 2009 consolidated revenue account surplus fell 70.7% to RM186.60 million, compared to

RM637.48 million.

The report on Pahang revealed wastage of public funds by the Bentong Municipal Council, where several purchases were made at extraordinary high prices (*see chart*).

The Auditor-General made a comparison of the market and contract price for eight items and found that the contract price was RM80,954 higher than the market price.

However, the municipal council has claimed that the purchases were made through an interior designer, and that it did not have enough time to make a price comparison.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malaysiakini.com/news/146469>