

Federal gov't blows budget by RM5 bil
Malaysiakini.com
October 27, 2010

The federal government overspent RM4.83 billion last year, its second-highest deficit in recent years after overshooting its operating budget by RM5.7 billion the year before.

"This shows there are still weaknesses in expenditure planning and management," said the Auditor-General's 2009 Report, noting that spending only be done when an allocation is approved.

It also revealed that 11 agencies - including Malaysia Anti-Corruption Commission (MACC), Public Service Department - and 10 ministries had exceeded their operating budget by RM3.61 billion. (*Chart*)

The auditor-general also found that 15 ministries and agencies had overspent RM3.74 billion for 42 projects under the Ninth Malaysia Plan.

The Defence Ministry topped the list with an overrun of RM2.03 billion for three projects, followed by the Education Ministry (RM927 million for four projects) and Treasury Department (RM547 million for two projects).

Under development expenditure, the report revealed that 43 projects by 16 ministries and departments had recorded a total overrun of RM465.11 million.

The bulk of this was spent by the Works Ministry for 11 projects, involving RM356.73 million.

Conversely, RM153.3 million for 38 projects was allocated, but was not spent by the 16 ministries and departments concerned.

Selangor the biggest debtor

It was further found that all the state governments were not able to clear their debts on schedule.

Outstanding payments to the federal government had accumulated to RM4.6 billion or 13.3 percent more than the RM4.08 billion recorded in 2008.

Selangor was the biggest debtor (RM829.86 million), followed Johor (RM809.89 million), Kedah (RM706.68 million), Pahang (RM565.08 million) and Negri Sembilan (RM504.50 million).

The substantial loan arrears arose even though RM204.27 million in water supply loans to eight state had been absorbed by the federal government.

The report also said 607 (50.5%) of the 1,203 loans channelled to state governments have been owing for between 1 and 13 years.

For statutory bodies, Railway Asset Corporation (RM1.02 billion) is the biggest debtor, while Perwaja Terengganu Sdn Bhd tops the list for company loans (RM1.8 billion).

