

Auditor-General: Tourism Ministry overpaid RM270m for ads
The Malaysian Insider
October 24, 2011
By Debra Chong

KUALA LUMPUR, Oct 24 — The Tourism Ministry overpaid nearly RM270 million for advertisements when it chose to use direct bookings instead of open tenders, the Auditor-General reported today.

The report noted that in doing so, the ministry had also breached the Treasury's regulations as laid down in a circular in 2007.

The ministry also spent a whopping RM1.95 million to buy 1,000 racks — RM1,950 per rack — to hold its tourism pamphlets for the Visit Malaysia Year 2007 campaign, the report said, again pointing out the move was done without the treasury's approval.

Auditor-General Tan Sri Ambrin Buang said the ministry must hold an open tender "so the price offered will be more competitive, transparent and provide better value for money".

"In addition, this method would have avoided power abuse as well as created internal controls and good governance in booking advertisement space," he said in the report.

He noted further that if the ministry had held an open tender, its advertising spending would have cost RM75.38 million.

The Auditor-General said it was also unable to confirm the distribution of 22 of the 1,000 racks as the ministry could not supply the note of delivery as proof of claim, while another 127 racks were also not accounted for.

It noted the ministry's explanation that 622 racks had been distributed to hotels, 127 were "expired" by the contracted company, Leo Communications Sdn Bhd, due to "financial complications" and lack of storage space, and as many as 85 racks were locked in the company's storage hold.

Ambrin urged the ministry to plan its yearly budget with greater care and detail to support its overall operational spending.

"This is so the advertising and promotional support activities planned can be implemented to increase the number of tourists to Malaysia and grow domestic tourism," he said in the report.

He noted there were a total of 24.58 million foreign tourists to Malaysia in December 2010, a slight increase from the projected 24 million target and 2009's 23.65 million visitors.

The Malaysian Insider
Copyright © 2011 The Malaysian Insider
Source:

<http://www.themalaysianinsider.com/malaysia/article/auditor-general-tourism-ministry-overpaid-rm270m-for-ads/>