

**Auditor-General Clarifies Report On NFC  
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KUALA LUMPUR, Jan 25 (Bernama) -- The National Audit Department clarified on Wednesday that it had not used the word "kucar-kacir" or "in a mess" or "irregularities" in its report on the National Feedlot Centre (NFC) project in Gemas.

Auditor-General Tan Sri Ambrin Buang said in a statement today that these were words used "by other parties and the department should not be held responsible for it."

He said it would be up to the authorities such as the police and the Malaysian Anti-Corruption Commission (MACC) investigate whether there was any irregularity regarding the project.

Ambrin added that from the audit perspective, there were indeed weaknesses in the implementation of the project resulting in the government deferring its implementation in May 2009 until such time that a "viability and business model" study was carried out.

The deferment was before the audit was done, he said.

"This is stated in the 2010 Auditor-General's Report. It gives the indication that the government was aware of the weaknesses and had taken action to set the direction for the project," he said.

He added that the audit on the NFC had been carried out in an independent and professional manner without any prejudice and that any statement questioning the integrity of the National Audit Department was regrettable.

Audit analysis showed that the NFC's project objectives had yet to be fully realised due to various factors highlighted in the report, he said.

"Among them was the target to produce 38,600 cows for the year 2010, as stated in the implementation agreement signed in March 2010. It had not been achieved because the entrepreneur development program involving 130 satellite farm operators had not been implemented yet," he said.

Ambrin also said that the department had focused its performance audit on the achievement of the NFC since its inception in 2006 and not the National Feedlot Corporation Sdn Bhd (NFCorp) as a company.

He said the NFCorp is a company registered under the Companies Commission of Malaysia, with the Finance Ministry Inc holding a "golden share" worth RM1 while the paid-up capital totalling RM1.11 million was contributed by Agrosience Industries Sdn Bhd.

Ambrin said the project was audited as it was important in terms of food production for the country.

The government had also allocated a huge amount of money on the project, including

RM73.4 million under the Agriculture and Agro-based Industry Ministry in the Ninth Malaysia Plan for the project's development and operating cost, he said.

Of the total, RM48.71 million had been expended by the ministry as of end of 2010, to provide an area of 2,023 hectares for the project which was later reduced to 809 hectares, he said.

He said the launching grant for the provision of infrastructure worth RM13 million was approved to NFCorp in September 2007 and that up until end of 2010, a total of RM6.52 million had been paid to NFCorp for the purpose.

Ambrin said a soft loan totalling RM250 million had also been approved to the NFCorp through a loan agreement signed in December 2007 and that until March 2010, a total of RM134.7 million had been issued to the company based on the claims made to the Finance Ministry.

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