

BN MPs want A-G to re-look Penang's financials
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By Clara Chooi

KUALA LUMPUR, Oct 30 – Barisan Nasional (BN) MPs want a second probe on Penang's financials by the Auditor-General, alleging today that the state government may have cleverly used "creative accounting" to boost its revenue levels and earn praise for prudent management.

BN Backbenchers Club (BNBBC) deputy chief Datuk Abdul Rahman Dahlan asked the Pakatan Rakyat (PR) state government to explain if it had transferred monies from its trust accounts to the state's consolidated revenue accounts before the federal audit was conducted.

"Every state has a trust account. Funds are allocated there from the start for specific purposes... say if there is a need for RM100 million for a programme or project, the money is placed into this trust account and is only to be used for that purpose.

"Then before the audit is conducted, the state government transfers from this account – say the balance is RM60 million – into the consolidated account and takes it as though it is revenue," he told a press conference in Parliament today.

Abdul Rahman said this was no different from "transferring cash from the left pocket to the right", adding that the A-G needed to re-investigate several figures in the report, which he said appeared suspicious.

"For example when (Penang Chief Minister) Lim Guan Eng said in the past that Penang's debt levels declined by RM600 million... it was actually transferred from the state to the federal government.

"So we will ask the A-G to explain a few figures which we are not so confident about... we want the A-G to relook everything in Penang's accounts," the Sabah federal lawmaker said.

Several other BN backbenchers also highlighted other issues found in the A-G's report, which they said was proof that Pakatan Rakyat-led (PR) states were not as clean as its leaders have claimed.

Among others, Hulu Selangor MP P. Kamalanathan pointed out that Selangor had only used 58 per cent of its federal allocation under the State Road Maintenance Trust Fund and the Road Record Information System (MARRIS).

"Where did the remaining 42 per cent go?" he asked.

"Unfortunately, according to the information I obtained, they used some RM5.15 million for the construction of the problem-ridden Universiti Selangor (Unisel)."

He alleged that this was tantamount to an abuse of federal funds as the monies under MARRIS was specifically meant to be used for the improvements of roads in the state.

The Putera MIC coordinator pointed out that the allocation was given to all states, regardless of which pact runs it, and should be rightfully used for road maintenance.

In an August report on the New Straits Times, Prime Minister Datuk Seri Najib Razak was quoted as saying that the National Finance Council was aware that the MARRIS funds were not fully spend by all state governments.

According to the report, RM2.591 billion was channelled for road maintenance work to state governments under MARRIS last year.

Abdul Rahman also highlighted Kedah's RM1 million cattle-farming scandal, which he has raised numerous times in the Dewan Rakyat, pointing out that although the matter did not involve a sum as large as the National Feedlot Centre's (NFC) RM250 million loan, it was still a significant 0.1 per cent of the state's budget.

"Kedah Corporation Bhd signed an agreement with an Australia-based firm to import cattle... much like the NFC.... and the state paid RM1 million to its business partner then. Now, the project has failed and RM1 million was squandered just like that.

"It may not be the same as the NFC's RM250 million but it is comparatively the same – RM1 million is 0.1 per cent of the Kedah budget, and the RM250 million NFC is also 0.1 per cent of the federal budget," he said.

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