

AG report: PTPTN's loan management weak
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PETALING JAYA: Management of loans by the National Higher Education Fund Corporation (PTPTN) has been unsatisfactory, revealed the 2013 Attorney-General's (AG) report.

The system called the Education Loan Management System (Elmas) was found to be not comprehensive during the audit exercise.

The system used by PTPTN since 2000 was upgraded periodically since 2003 by Paradigm Systems Berhad to meet the ongoing current requirements of the government and PTPTN.

In the year 2010, Islamic Education Loan Management System (Elmas-i) was developed under the concept of Islamic Ujrah in line with PTPTN's Circular No. 2 of 2008, Implementation of the Education Funding with the Imposition of 1% Ujrah per year or wages for flat rate.

The total cost of both the systems since it was developed in 2003 is RM22.70 million.

The audit carried out between April and July 2013 found that the Elmas system was not comprehensive as applications for extension and deferment of payments were done through the Sistem Pengurusan Kutipan Balik (e-UPKB) instead of Elmas or Elmas-i.

“There is weak logical access control for Elmas and Elmas-i due to the absence of security features. (Also), data cleansing on both systems have not fully been implemented,” said the report.

The report provided the following recommendations:

- PTPTN should redevelop the User Identification Module to comply with the general security features and the Information Technology Directive of 2007.
- PTPTN should also carry out data cleansing systematically to ensure data integrity in the Elmas and Elmas-i systems.

PTPTN was established under the National Higher Education Fund Corporation 1997 (Act 566) and commenced operations on Nov 1 1997.

Its objective was to ensure efficient funding to eligible students to pursue their education at institutions of higher learning in line with the government's aspiration to guarantee no student is deprived of higher education due to financial constraints.

As of November 2013, a total of RM53.23 billion in education funds have been approved to 2.3 million loan applicants.

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