

'NFC had weaknesses'

ACTION: Government took steps to rectify project's shortcomings, says auditor-general

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THERE were weaknesses in the implementation of the National Feedlot Centre (NFC) project, the auditor-general said yesterday.

Tan Sri Ambrin Buang also said an audit carried out by his department in 2010 focused on the NFC project and not on the National Feedlot Corporation Sdn Bhd (NFCorp).

"From an audit perspective, there were, indeed, several shortcomings in the NFC project's implementation.

"If there were none, why would the govern-

ment delay the implementation of NFC in May 2009 until a viability and business model study for the project was carried out?

"This was stated in the 2010 Auditor-General's Report, an indication that the government was aware of the weaknesses in the implementation of the project and had taken steps to determine the project's direction," he said in a statement.

He said the department regretted any statement that undermined the integrity and capability of its auditors.

NFCorp was a company registered under the Companies Commission of Malaysia. The Finance Ministry holds a golden share of RM1 in it, with a paid-up capital of RM1.11 million contributed by Agrosience Industries Sdn Bhd, he said.

The NFC project was audited because it is a national food producer to which the government had allocated significant funding of:

RM73.64 MILLION from the Agriculture and Agro-based Industries Ministry under the Ninth Malaysia Plan for NFC's development and operational costs.

As of 2010, RM48.71 million was spent by the ministry to provide 2,023ha of land for the project. The land size was later reduced to 809ha.

A RM13 MILLION start-up grant, approved to NFCorp in September 2007, to provide infrastructure.

As of 2010, RM6.52 million was paid to NFCorp for the company to build infrastructure, such as cattle pens and farm roads.

A RM250 MILLION soft loan, approved to NFCorp via an agreement signed on December 2007.

As of March 2010, RM134.7 million was disbursed to NFCorp based on claims made to the Finance Ministry.

"If there were none (weaknesses), why would the govt delay the implementation of NFC in May 2009?"
Tan Sri Ambrin Buang
auditor-general

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