

# Why are we not measuring what hurts us most?

Does our API reading give us a true picture of what real health risks we face on a hazy day? We attempt to clear the air

**J**UNE is the month to stay indoors, or for the well-heeled, take a break outside the country.

It is the month of the year when the air is thick with smoke, resulting in more cases of eye irritation, sore throats and other respiratory problems.

This annual occurrence, once dismissed as a minor irritation, is now regarded as a national health hazard. The situation got dire when the air pollutant index (API) – our standard measurement for the amount of unhealthy particles in the air – reached an alarming rate of 746 in Muar on June 23. Anything above 100 is considered unhealthy.

Malaysia's Department of Environ-



BY RAPHAEL WONG

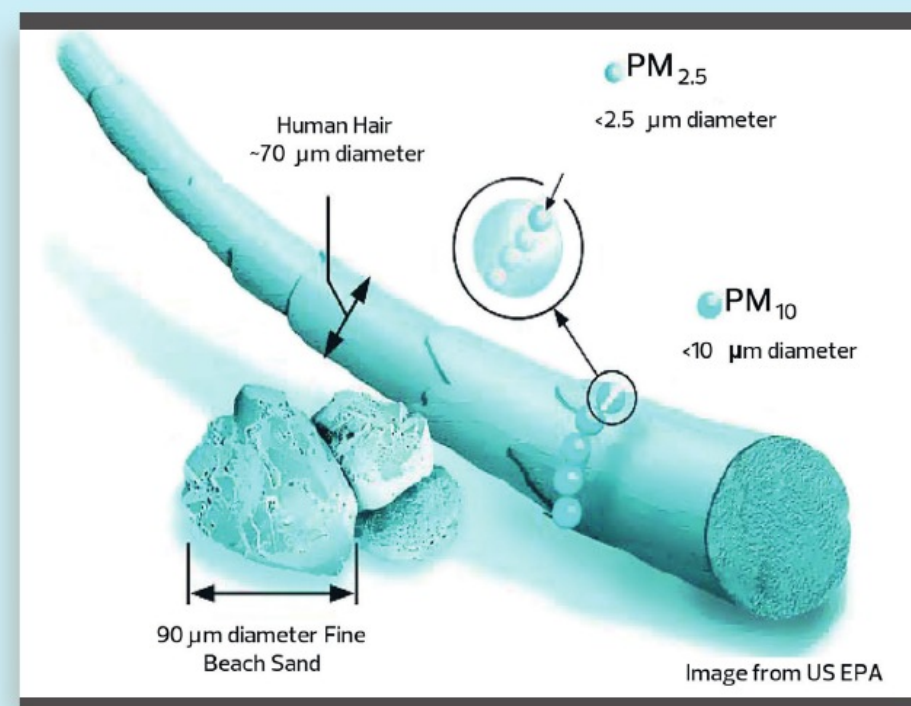
ment (DOE) bases its API readings on the presence of five atmospheric pollutants – sulphur dioxide, nitrogen dioxide, carbon monoxide, ozone and suspended particulates or particulate matter (PM). In the case of particulate matter, the practice in Malaysia now is to measure the level of PM10 or suspended particulates measuring 10 micrometres or more.

For comparison, the thickness of the human hair is 40 to 120 micrometres while pollen is about 30 micrometres in size. (See table below)

For the most part, PM10 results from smoke in the air, dirt and dust thrown up by human activities such as factory operations, farming and road works, as well as mould, spores and pollen.

However, knowing the level of PM10 in the atmosphere does not adequately account for the level of pollution in the

## PM2.5: Tiny but deadly



### How bad?

PM 2.5 particles are prone to carrying toxic heavy metals, acid oxides, organic pollutants as well as bacteria and viruses

### What happens when PM2.5 particles are inhaled?

- They deposit in the lungs, causing inflammation and lung disease
- They enter the blood circulation due to their size and affect the normal functioning of the cardiovascular system
- This can lead to a higher chance of fatality due to cardiovascular and respiratory diseases as well as cancer risks



The haze was at its worst in June this year and reappeared briefly in end-August

atmosphere during hazy conditions, according to Dr Mohd Talib Latif, an associate professor at the Faculty of Science and Technology at Universiti Kebangsaan Malaysia.

"The haze is caused by peat fires in Sumatra and PM10 comprises only 10% of the pollutants in the smoke from these fires," he says. "The remaining 90% are PM2.5 pollutants, much smaller and thus more dangerous."

Each PM2.5 suspended particulate measures only 2.5 micrometres, just a quarter of the size of the PM10 particulate.

"The PM2.5 pollutants can rise about 1km above the ground, and trans-boundary winds that normally blow in from Sumatra during this time of the year carries the pollutants very quickly to our shores," Mohd Talib says.

### Suspended health hazard

These suspended particulates cause health problems, irrespective of their size. However, the smaller the particulates, the higher the health risks.

The PM2.5 particle is especially damaging given that it also carries large amounts of toxic and harmful materials.

According to health experts, the PM10 particles that have entered the respiratory tract can be obstructed by nasal hairs, or be discharged with phlegm.

Given its smaller size, the PM2.5 par-

ticle can lodge deep in the parts of the lungs where the exchange of oxygen and carbon dioxide takes place, and it can also gain access into a person's blood vessels. Short-term exposure to this type of particles can cause wheezing and asthma attacks while long-term exposure can lead to lung cancer, heart attacks or even stroke.

Not much research has been done on the adverse effects of the haze on health in Malaysia. In fact, much of what we

know about the effects of inhaling pollutants comes from studies done overseas, says Mohd Talib.

The website [www.myhealthbeijing.com](http://www.myhealthbeijing.com) provides some information on the extent of the health risks. According to the website, a person exposed to a PM2.5 pollution level of 880ug/m<sup>3</sup> (880 micrograms of

pollutants in every cubic metre of air) inhales 14mg of PM2.5 pollutants over a 24-hour period. A smoker takes in 12mg of pollutants for every cigarette smoked.

### The league of PM2.5

Despite the higher level of PM2.5 in the air during hazy conditions and its accompanying health effects, Malaysia continues to provide only the readings for PM10. On the other hand Singapore, which saw API readings exceeding 500, has opted for the PM2.5 readings.

➤ Continues on page 28

# High time to improve the system

From page 36

Even China, regarded as one of the world's biggest contributors of greenhouse gases began taking PM2.5 readings last year. According to the World Bank, the country has 16 of the world's 20 most-polluted cities.

## What about Malaysia?

Malaysia's API reading, based on the PM10, is in line with the Pollutant Stand-

ard Index (PSI) system of the United States. DOE director Datuk Halimah Hassan told *The Heat* the reading was calculated based on the running average of PM10 concentration over the preceding 24 hours.

Nevertheless, the DOE is tightening the Malaysian air quality guidelines to raise it to the World Health Organisation (WHO) 2006 Guidelines standard.

To achieve that, the amended Malaysian guidelines will have to be in place first, Halimah points out. "We have set up a committee of experts to review the guidelines and to include standards for PM2.5," she says. "Subsequently, we will have to come up with a PM2.5 air quality index system and the capability to integrate our data with that of the Environmental Data Centre."

Besides that, there is also the need to have more PM2.5 analysers. Of the 52 air quality monitoring stations nationwide, only five have PM2.5 analysers.

More accurate readings are essential so people can take appropriate precautions to reduce their exposure to the haze and its pollutants. With the increasing number of hot spots in Sumatra and parts of Peninsular Malaysia, the situation is only going to get more critical.

SHARIL AMIN ABDUL RAHIM/THE HEAT



With a growing number of hot spots in Peninsular Malaysia, the haze situation is only going to worsen

Two recorded deaths have been attributed directly to the haze. The first was a 51-year-old woman with asthma and the other, a 62-year-old man who died from pulmonary fibrosis complications. Incidentally, both were from Muar, where the highest API was recorded thus far this year.

Singapore began to provide readings based on the PM2.5 index just days after the haze hit the island republic. However there is still no indication when the same standards will be implemented in Malaysia or when the remaining 47 monitoring stations will be fully equipped to scan the atmosphere for PM2.5 pollutants.

The time has come for Malaysian authorities to take the initiative to provide an internationally accepted PM2.5 index specifically targeted at pollutants from the haze. Anything less may just result in more deaths. **MSB**

## When can we adopt a better standard?

**ECONOMICS** plays a major role in what we do every day, including how we deal with pollution in our atmosphere.

While we want to have clean air all the time, a standard that is too stringent may also be bad for the economy. As associate professor Dr Mohd Talib Latif points out, it is not economically viable for Malaysia to adopt standards set by the World Health Organisation (WHO) or even that of the US Environmental Protection Agency.

The WHO, which measures PM2.5 pollutants, considers API readings of

25ug/m3 (25 micrograms per cubic metre) and above as unhealthy. Even the higher level of 35ug/m3 of the EPA is still too stringent for Malaysia, says Dr Mohd Talib of the Faculty of Science and Technology at Universiti Kebangsaan Malaysia.

"With our hot weather and high evaporation rate, our PM2.5 index will easily surpass WHO standards as we are hovering at that level anyway. If we follow WHO standards, construction of many buildings in the Klang Valley will have to be halted," he explains.

In fact many countries have modified their benchmarks to meet their respective needs and wants. "Each country sets a different standard. This is mostly for economic practicality," he adds.

Of a sampling of four countries or regions that measure PM10, South Korea has the lowest standard at 100 while the European Union has the highest at 35. Both Malaysia and Hong Kong have set it at 50. Singapore and Japan that measure PM2.5 have set their standards at 50 and 35 respectively.



**20%** savings for  
Hong Leong Bank  
credit card holders

## MID-AUTUMN FESTIVAL

1 August - 19 September 2013

Enhance your mid-autumn experience with an appetizing selection of made-to-order mooncakes for you to share with friends and family. Choose from a wide range of flavours such as Pure White Lotus Single Yolk, Snowskin Black Sesame Single Yolk and lots more.

RM66 per box (four pieces)

**E** | EMPIRE HOTEL

Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan.  
T +603 5565 1228 F +603 5565 1289 Toll Free 1800 22 1888  
W [www.empirehotel.com.my](http://www.empirehotel.com.my)



OCTOBER 26-NOVEMBER 1, 2013

WEEKLY ISSUE 08

# The Heat



**Lilian Tan**  
a girly girl  
at heart

Beneath her tough exterior, she is feminine and loves doing her nails and colouring her hair ... p04-05

What trends shape Malaysians ... p18&20 | How to become popular online ... p26&28 | Saving Kuala Lumpur's heritage ... p36



**Temple on gold mine sparks Hussain's murder**

The story behind the killing of banker Hussain Najadi ... p34



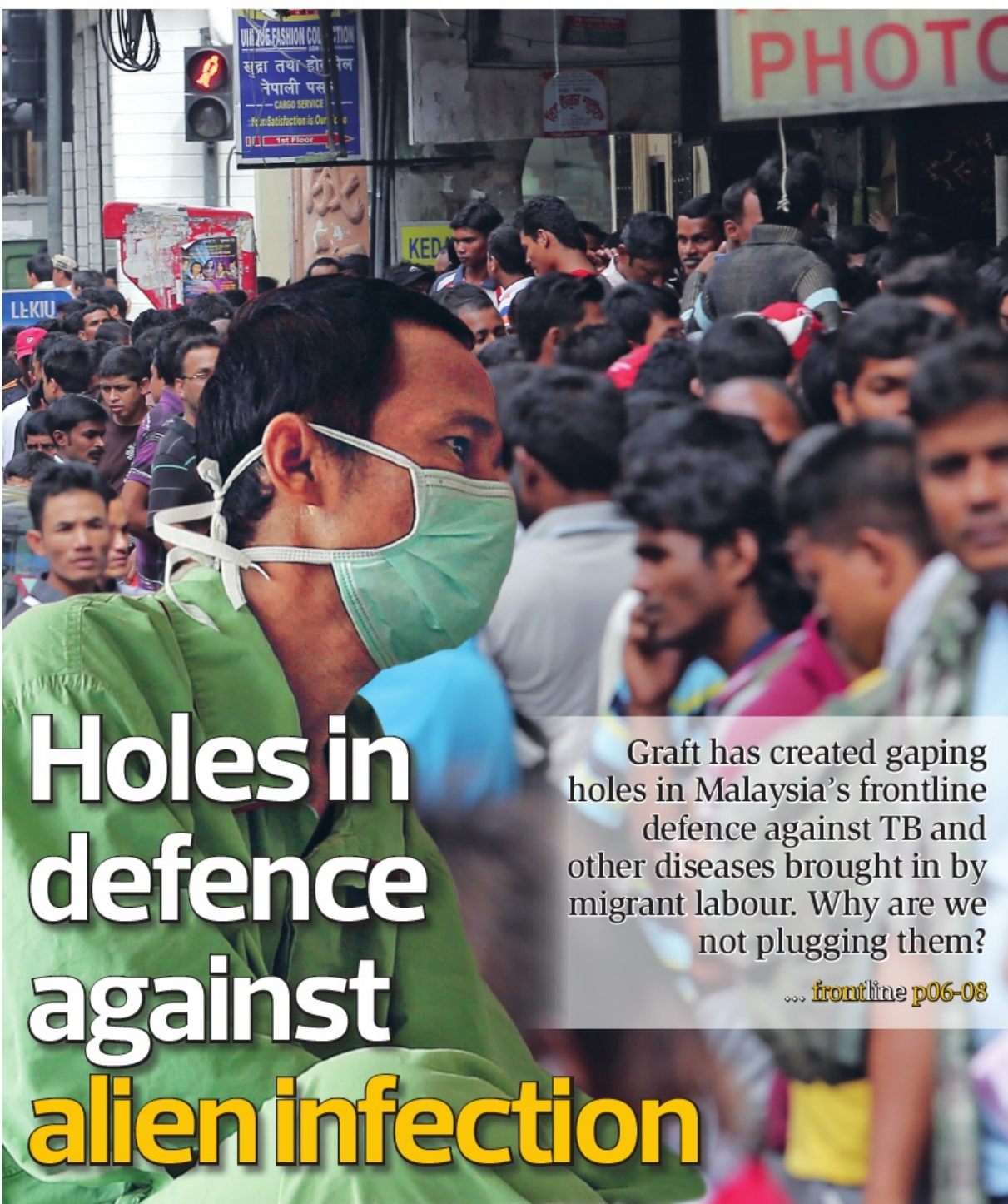
**Why confer PhD on a dictator?**

Poser over criteria varsities use to award honorary titles ... p16



**Kit Siang believes in 1Malaysia**

However he says the people lament the lack of will to foster unity ... p22-23



## Holes in defence against alien infection

Graft has created gaping holes in Malaysia's frontline defence against TB and other diseases brought in by migrant labour. Why are we not plugging them?

... **frontline** p06-08

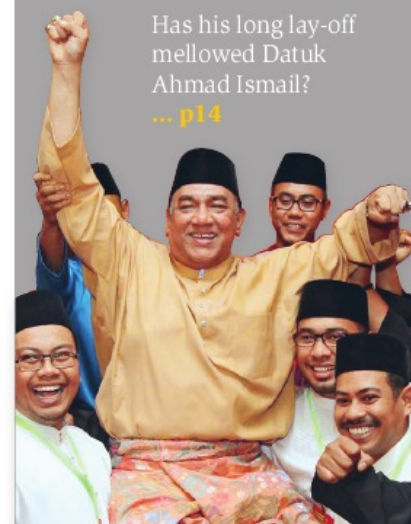


**Najib's herculean tasks after the Umno polls**

Post party elections, the PM should give top priority to the job of running the nation ... p10&12

**Poster boy of right wing politics makes comeback**

Has his long lay-off mellowed Datuk Ahmad Ismail? ... p14



## Are you ready for Personal Data Protection Act? Find your solution here!

Enterprise IT pros say losing confidential company info is a top concern - what personal devices have you seen on workplace networks?

**Data Security Must Change**  
Struggling with data security?

If your employees are using laptops, tablets, and smartphones to access, save, and share your company data on Dropbox, Google Docs, and other cloud services, you've probably discovered that the old device-centric approach is too difficult to manage and leaves security gaps.

**DATA IS MORE DISPERSED AND HARDER TO SECURE THAN EVER**

**What is the best way to do this?**

"Data protection technologies should live almost everywhere in the network and on almost every type of IT asset where sensitive data could traverse or be stored."

**Personal Data Protection Act 2010 (PDPA) in Malaysia**

With the PDPA 2010 established, there will undoubtedly be new obligations that process personal data. In other words, organizations which process their individual customers' or employees' personal data will need to re-evaluate their current data privacy policies and processes.

Only **integrated, multilayered data-centric security** lowers the cost and effort to deploy and manage comprehensive data protection.

**COMPLETE END USER PROTECTION**

Secure data everywhere it goes, especially on mobile devices - from laptops and USB drives to smartphones and tablets.

**Trend Micro™ Enterprise Data Protection** makes it easier to identify, track, and secure sensitive company, customer, and employee data from the endpoint to the cloud.



**\*Free consultation available.**  
Call Trend Micro to find out more or email to sales.my@trendmicro for more details.

\* Terms & Conditions applies

Trend Micro Malaysia Sdn Bhd (60843-7)  
Suite 31-01, 31<sup>st</sup> Floor, Menara Keck Seng, No. 203, Jalan Bukit Bintang, 55100 Kuala Lumpur  
Tel: +60(3) 2772 2288 Email: tms.my@trendmicro.com



This part of Kuala Lumpur has become a foreign workers' endave. TB spreads quickly in such an atmosphere

## Alarm bells on sick foreign workers

Flawed medical screening systems operated by countries where Malaysia sources its foreign labour has allowed thousands of sick workers, many of them with TB, to enter our shores and potentially infect our people. But our system of detection and repatriation of these workers is equally worrying



BY RAPHAEL WONG

**T**HEY walk our streets, enter our department stores and use our trains and buses. They are our foreign workers, and without them, many of our enterprises, plantations, work-sites and eateries will have to close.

Hundreds of thousands of them enter our shores every year to seek employment. But there's a serious downside to the ready manpower pipeline. Due to flaws in the two-step system of medical screening,

a large number of these foreigners come in with diseases, the most common being the dreaded tuberculosis (TB). This is despite the "clean" bills of health issued by their country's doctors.

Former health minister Datuk Seri Liow Tiong Lai had revealed that in 2008, a total of 10,517 foreign workers failed to get their permits because of they were suffering from TB, making up 28% of the 37,503 foreigners who were declared unfit.

Checks by *The Heat* showed that

the other diseases carried were hepatitis B (about 23%), sexually transmitted diseases (6.4%) and HIV/AIDS (nearly 2%).

Sources say this annual figure of TB among foreign workers is fairly consistent every year. The implications are clear: the medical vetting system in the countries where the migrant labour came from is dubious, perhaps even corrupt. How else do you explain the ability of sick workers to get certificates of fitness to work here?

Foreign workers – legal and illegal – have been identified as the main contributor of the emergence and the rise of TB cases in the country. And this is a disease that was once almost eradicated in Malaysia.

Migrants from Indonesia, Bangladesh and Myanmar are the top three nationals with high TB infections. TB is prevalent among these workers as it is easily spread in crowded and cramped living conditions that make up most of the quarters that houses them.

SAIFUL HIZAM MANSOR/THE HEAT



## Migrants in the house

**MIGRANTS** are not a new phenomenon in the country. In the mid-1980s, Malaysia began receiving a steady flow of migrant workers mainly from Indonesia, who found similarities in culture, religion as well as language. When the country moved towards an industrial and construction boom, it attracted a significant number of nationals from the Philippines, Bangladesh, Myanmar, Nepal, Pakistan,

India, China, Thailand and Vietnam.

The influx of these immigrants brought in a host of diseases such as Hepatitis B and C, leprosy, HIV and TB. According to a report in 2012, there were 22,710 cases detected and treated, with Sabah, Sarawak and Selangor recording the highest number of cases, while the reported number of deaths reached 1,600. Fomema (Foreign Workers Medical Examination Monitoring

Agency) is the government-appointed company established in 1997 to manage and operate a mandatory foreign worker health screening system in Peninsular Malaysia.

Since 2005, Malaysian authorities have compelled foreign workers to undergo three health screenings during their stay in Malaysia – in the first month, after one year and during the second year.

SHARIL AMIN ABDUL RAHIM/THE HEAT



A foreigner inside WadDahlia at Institut Perubatan Respiratori, Kuala Lumpur here on August 27, 2013.

White patches in the X-ray indicate severe TB infection



at liberty to disclose any information as it was under the purview of the Ministry of Health's Disease Control Division. Attempts to contact the division head Datuk Dr Chong Chee Keong proved unsuccessful.

Sources say Fomema is well aware of the poor quality of health screening in source countries, and had in fact visited the clinics. However, they cannot interfere in how the clinics are run and can only inform the Malaysian Health Ministry of the situation.

"The fact that there continues to be workers coming in with fake health certificates goes to show that nothing much has been done about this over the years," says the source.

### How did they enter the country?

Before a migrant worker steps into Malaysia the legitimate way, he is required to undergo a health screening and obtain a medical report from a clinic or hospital in the country of origin that is approved by the Ministry of Health. Once the medical certification is obtained, the migrant worker submits it to the nearest embassy/high commission/consulate or representative office to initiate the process of obtaining a visa to enter the country.

The employer who hires a migrant worker, in turn, will have to obtain a special social visit pass (Pas Lawatan Kerja Sementara or PLKS) which identifies the place of work and which sector is approved for the worker, together with a visa with reference in the final part of the legalisation process.

There have been reported cases of workers, despite having communicable diseases, still getting a clean bill of health for a fee. According to a report in *The Kathmandu Post* in July 2012, at least 1,850 Nepalese have died in Malaysia since 2003, with about 25% of these deaths cause by TB, pneumonia, renal failure and myocardial ischaemia (a heart disease that is one of the most common

**"... at least 1,850 Nepalese have died in Malaysia since 2003, with about 25% of these deaths cause by TB, pneumonia, renal failure and myocardial ischaemia (a heart disease that is one of the most common causes of death in the world)."**

causes of death in the world).

What is interesting is that the report quoted Lal Babu Kawari, Nepal's director of the Department of Foreign Employment, as saying that there is a big problem of workers submitting fake health certificates. He stated that in a random sample from the certificates that the department had received, it found 262 to be duds.

A source familiar with the hiring of migrant workers corroborated this fact, claiming that the process of the medical screening in the country of origin mainly goes unsupervised and normally beyond the control of the Malaysian authorities. "But for the sake of the issuance of the worker's visa, it is just accepted without question," says the source.

He lamented that migrant workers from Indonesia are prone to producing

medical certificates that may not be legitimate. "They come here with the disease and since it is airborne, it is easily spread, especially in a confined air-conditioned space."

Upon arrival in Malaysia, the migrant worker has 30 days to submit himself for a medical examination at clinics registered with Fomema (Foreign Workers Medical Examination Monitoring Agency) to verify his or her health status. Doctors say that within 30 days, a worker can infect scores of others.

It is learnt about 3% of migrant workers who undergo this medical examination are detected with TB and have to be sent back.

Fomema chief executive officer Mohd Hatar Bin Ismail, when contacted by *The Heat* for latest statistics, says he was not

➤ Continues on page 08

# TB can kill, but is 100% curable



Datuk Dr Abdul Razak

**TUBERCULOSIS** infected about 22,000 people in Malaysia last year, killing 1,500 of them, says Datuk Dr Abdul Razak Muttalif, Institute of Respiratory Medicine director on tuberculosis or TB.

"The mortality rate is quite high because a person is normally diagnosed at a late stage. TB is 100% curable and can be diagnosed very easily if the test is done early. If a person is diagnosed with TB, it is vital that he or she completes the full course of medication, which normally last for six months."

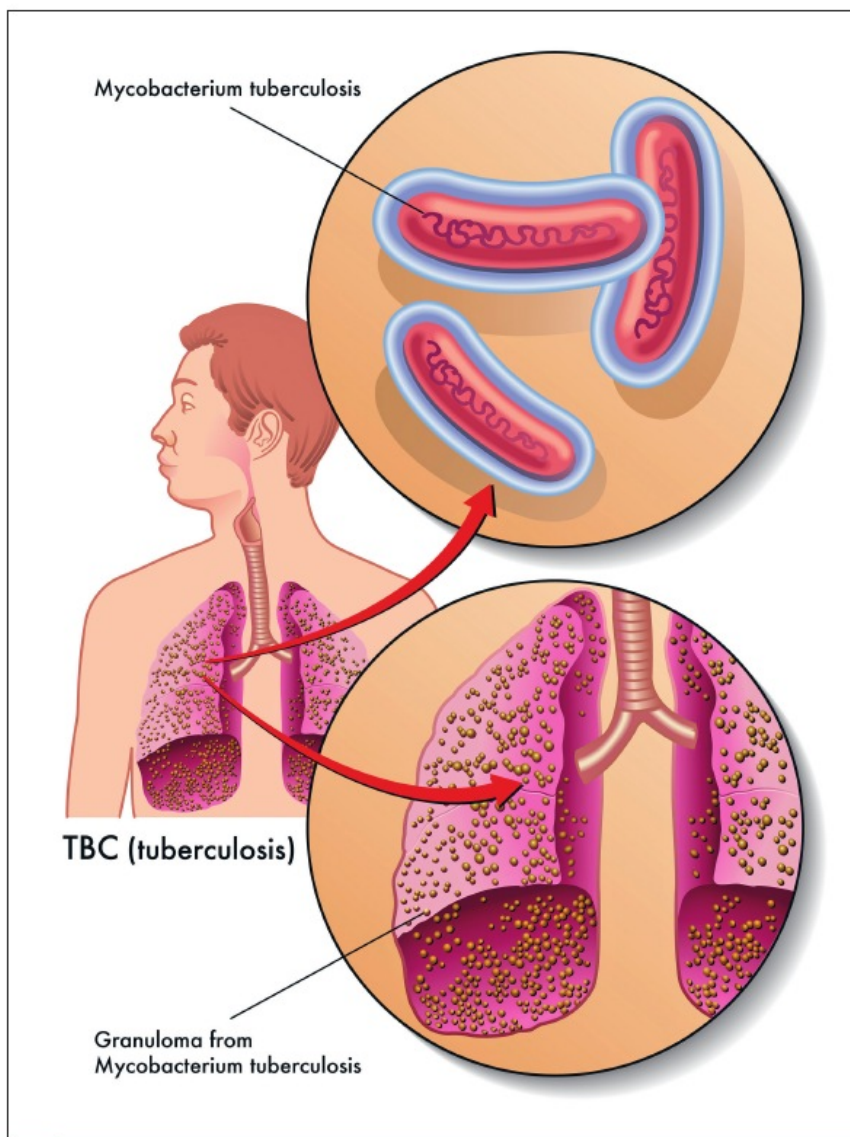
Therein lies the problem. Some patients obtain the medication but do not finish their full course. These patients then potentially become highly susceptible to a new strand of TB, known as multi-drug resistant TB or better known as MDR-TB. According to Abdul Razak, there is a low penetration rate of MDR-TB in the country.

To ensure that patients complete the six-month course, the institute conducts a short course called *Directly Observed Therapy* to ensure that they take their medicine. It is either done in the institute or, if the patient stays far away from its clinic, the institute will send the patient to the nearest government clinic for the follow-up treatment.

Abdul Razak admits that immigrants and refugees are a contributing factor to the increase in numbers – making up about 15 – 20% of the people infected in the country – but cites late diagnosis as the main cause.

The director adds that the institute gets a lot of migrants who are referred by general practitioners (GP), either as a result of the mandatory Fomema screening or when they go to the GP themselves, while the refugees are referred by the non-governmental organisations (NGOs).

He explains that there is still a lack of awareness of TB in the community as people still regard aggravated cough as a normal symptom and thus do not seek immediate treatment. Doctors are also at fault as they do not suspect TB and in-



stead treat the patients with cough mixtures and antibiotics until the condition becomes severe and when it does, it also becomes infectious.

"We have many patients who had been coughing for about four to six months without being diagnosed and this is how they spread the bacteria to their family and community. This is the reason we always encourage doctors to obtain the history of a patient; it is very important. From a history of chronic cough with the other symptoms, a doctor can suspect TB. The case is stronger if there is TB in the family."

He says sometimes the symptoms are present but the disease is not diagnosed because either the doctor is not aware, or if he is aware, the clinic does not have the equipment to conduct a chest X-ray or sputum examination. The patient is then referred to a hospital but the patient doesn't show up for the examination.

So is TB a poor person's disease? Not an accurate inference, says Abdul Razak. He clarifies that it does generally affect poor people who stay in overcrowded places, and the malnourished. However, it also affects certain high-risk groups such as diabetics, prisoners, kidney failure patients, those who are treated with steroids or drugs to treat cancer, as well as the aged. "Younger people do get TB but we are seeing it more in the elderly."

"We have many patients who had been coughing for about four to six months without being diagnosed and this is how they spread the bacteria to their family and community."

## FACT BOX

- Tuberculosis (TB) is caused by the bacteria *Mycobacterium tuberculosis* that infects the lungs as well as the other organs in the body. TB is classified as one of the granulomatous inflammatory diseases (see above).
- According to the World Health Organisation (WHO), this highly infectious disease, which existed centuries ago, killed more people than any other disease in history. In 2010, it claimed four lives every minute globally.
- In 2011, about 8.7 million contracted the illness, including 1.1 million people with HIV. WHO states that at least 1.4 million people died from the illness, 500,000 of them women, making it one of the top killers of the fairer sex worldwide.
- It is estimated about a third of the Earth's population carry the tuberculosis bacterium in a dormant state and an outbreak only occurs in one in 10 infected people.
- The bacterium is not infectious as long as it is prevented from breaking out – without the carrier noticing its presence.
- Scientists have recently developed a new tuberculosis vaccine known as H56 to fight late-stage TB infection.

## How should Malaysia deal with it?

► From page 07 infect up to 20 people.

The Health Ministry had highlighted this matter many years ago, but again nothing has been done to address the weaknesses in the system. Citing the illegals as a hidden source of infection to the local population, Liow had lamented that the many diseases that included existing, new and those already wiped out could surface and get out of hand should the illegal workers mingle with their legal counterparts and the public.

Over the years, as with many other diseases, the TB bacterium has evolved and there are certain strains that are resistant to drugs. Multi-drug resistant TB exists in the country but the number of migrant workers who carry such a disease is miniscule, says the source.

Sabah and Sarawak, two of the states

with the highest number of foreign workers with TB, are making efforts to intensify measures to curb the rise of TB. Sarawak's Anti-Tuberculosis Association president president Datin Louise Luncha Kanyan had reportedly proposed that all foreigners undergo mandatory tuberculosis (TB) screening before they can be issued work permits.

Sabah has the highest number of TB cases due to a large population of poor, illegal immigrants from the southern Philippines and Indonesia that live in slum areas across the state. A local daily reported that 10 people are diagnosed with TB in Sabah every week, with the majority being foreigners. The Sabah Health Department, together with Universiti Malaysia Sabah (UMS), have collaborated with a Korean non-governmental organisation, Zero TB World South Korea,

to establish a tuberculosis research centre to be housed in the university.

### How other countries deal with this

Malaysia should learn from the United Arab Emirates (UAE) authorities who have taken on the task of carrying out medical screening of foreign workers in the respective home countries for infectious diseases.

A report quoting Dr Mahmoud Fikri, UAE's assistant undersecretary for the Ministry of Health for Health Policies, says the initiative has reduced the number of positive cases of certain diseases by 50%.

Introduced in October 2011, the medical screening now covers workers from Sri Lanka as well as Indonesia. UAE intends to extend the list to workers from other countries.

With the number of TB cases rising



TB treatment usually lasts for six months, taken in tablet form or injections

steadily on a yearly basis, there must be concerted effort on the part of the authorities to scrutinise migrants coming into the country with this dreaded disease. And doing so at source seems to be part of the answer. For now, immigration and the health authorities need to take ownership for the deportation of the sick workers and not leave it to the employers.

# Govt shortchanged in RM800mil emergency response project

Overpriced items, excessive consultancy fees and a lack of oversight – these are among the problems highlighted by the Auditor-General. What are the reasons for such wastage of funds?

**I**n 2007, the Malaysian government decided to develop a “comprehensive and integrated emergency line service” using the number 999 under a 1Malaysia 1Number concept.

The RM801.55 million project that came to be known as the “Malaysia Emergency Response System (MERS) 999” was awarded to Telekom Malaysia Bhd (TM) through direct negotiation. Six years later, the Auditor-General found that the government has been shortchanged in at least 10 areas.

This is just one of many instances in which hundreds of millions, if not billions, have been spent haphazardly by various ministries, including the Prime Minister’s Department.

Government departments and agencies are nonchalant about their spending. In some cases, one can’t help but assume that someone is on the take. For instance, a certain ministry paid RM14,670 for a scanner that normally costs RM200.

But TM takes the cake for its extravagant claims and delivering substandard work on the MERS 999 project.

The project was conceived in 2007 by the Energy, Water and Communications Ministry but two years later, it was transferred to the Information, Communications and Culture Ministry, which had then assumed the communications function of government operations.

According to the Auditor-General, the project had a capital expenditure of RM596.25 million and an operating expenditure of RM205.3 million. However, there were many flaws in the project, apart from at least 10 instances of over-indulgence by TM.

## Performance of MERS 999

The main objectives of the system were to reduce prank calls and to filter out and channel bona fide emergency calls to the



BY RAPHAEL WONG

respective agencies. An automatic routing system that would enable a call to be answered by any one of three response centres nationwide would ensure that all calls are responded to.

However, despite the millions spent, the Auditor-General found that based on the service delivery by TM, the system was found to be unsatisfactory.

According to TM’s technical proposal, the system would be able to receive 3.33 million calls per month, or about 39.96 million calls per year during Phase 1 of its implementation that spanned the period from May 2007 to June 2010. In all, the system should have received 106.56 million calls.

But the Auditor-General found that the system was operating at 48.4% below its optimum capacity. It received only 51.59 million calls during the entire Phase 1 period. Of that number, only 1.29 million calls, or 2.5%, were actual emergency calls. The remaining 50.31 million calls, or 97.5%, were non-emergency calls.

The Auditor-General also found that the number of non-emergency calls rose by 820,000, or about 4.9%, from 2010 to 2011 despite public awareness campaigns to deter prank calls.

In the period from January 2010 to August 2012, there were 7.65 million (32.4%) calls left unanswered by the three response centres nationwide.

On the bright side, there was a saving grace – the objective to filter out prank calls previously sent to emergency agencies such as the police, fire department, ambulance service and the Public Services Department, was achieved.

## Overpriced consultancy

TM charged the government a total of RM44.29 million as consultancy fees during Phase 1 of the project period. This covered project management con-

sultancy amounting to RM21.74 million and engineering consultancy services at RM22.55 million.

The Auditor-General found:

- The appointment of local and foreign consultants did not comply with financial regulations
- The consultancy fees exceeded the prescribed rate by RM1.92 million (see Table 1).
- To compound the irregularity, consultancy service fees amounting to RM25.88 million were paid in one lump sum, a practice prohibited by the Finance Ministry. The payment was also made without supporting details on the services provided.
- The Information, Communications and Culture Ministry also approved the payment of a lump sum of RM480,000 for documentation expenses as well as transportation for four consultants under the scope of project management and consultancy without receipts.

Under Phase 2, TM charged consultancy fees for the entire year (2011) although work only began on Jan 19. After the audits were done, TM agreed to repay RM295,036 for the 18 days before the contract came into effect.

In the same period, the cost of reimbursement for consultancy services amounting to RM480,000 was paid in one lump sum and without the supporting receipts.

In its defence, the ministry claimed the matter relating to consultants were beyond its control because it had been decided by the Malaysian Administrative Modernisation and Management Planning Unit (Mampu) years before the project was handed over to the ministry.

The ministry explained that as Phase 1 of the project began in 2007, the cost of engaging consultants, both local and foreign, was not detailed in the contract.

## What needs to be done

In his recommendations made at the end of the report, the Auditor-General said steps must be taken to ensure

**“There were many flaws in the project, apart from at least 10 instances of over-indulgence by TM.”**



## Costly training stints conducted locally and abroad

**TELEKOM** Malaysia Bhd (TM) charged the Information, Communications and Culture Ministry RM4,250 per participant per day to conduct a three-day workshop at the A’ Famosa Resort in Malacca.

This was just one of 13 workshops for which TM had over-charged the ministry, according to the Auditor-General’s Report. TM was found to have charged below the market rate for only two workshops.

The workshops were related to the launching of the Malaysia Emergency Response Services (MERS) 999 project. In both phases of the project, TM had stipulated that training was required for its professional executive officers,

professional executive dispatchers and its project team that was putting the system in place. Under Phase 1, the transfer of technology and workshops cost the respective ministries (prior to 2009, it was the Energy, Water and Communications Ministry; post-2009, it was the Energy, Information, Communications and Culture Ministry) a total of RM24.94 million.

A total of RM11.92 million was spent on training, transfer of technology and workshops under Phase 2.

The Treasury requires procurement officers to conduct a survey to find the best market rate for the benefit of the government, and all vouchers for claims

must be accompanied by detailed sets of supporting documents for every service, supply or labour provided.

As Table 2 shows, none of the orders had been adhered to. The claim of RM3.43 million was paid in one lump sum without supporting documents and it also exceeded the market rate by RM2.03 million. The Auditor-General recommended the ministry recoup the excess paid to TM.

The ministry concurred with the Auditor-General’s findings but said it had tried to obtain detailed information from TM but was denied access because of the telecommunications internal policy. TM, in turn, said not all its officers who



Menara TM at Jalan Pantai Baru KL

attended the workshops or seminars went on the MERS 999 expenses.

Perhaps in remorse, the ministry said it “will ensure that such instances will not recur in the next phase of the contract for the year 2013-2014”.

TM had incorporated 10 seminars and overseas trips as part of the capital expenditure for the two phases of the MERS 999 project costing RM3.34 million. In there is one conspicuous claim: RM303,813 for a four-day trip to Geneva, Switzerland by a senior government officer. The Auditor-General feels that even if it was a maximum claim, the trip should not have cost more than RM50,000.

Under the contract, TM was required to submit the relevant invoices and related documents for payment but that

TABLE 1

Difference of fees paid for the services of local consultants capex Phase 1							
POSITION	NO. OF PEOPLE	SPP BIL. 2 YEAR 2011 (TREASURY CIRCULAR 2)				TM'S CLAIM (RM)	RATE DIFFERENCE (RM)
		MAXIMUM BASIC SALARY(RM)	MULTIPLYING FACTOR	TIME INPUT (MONTHS)	ACTUAL SERVICE FEES (RM)		
Project Director	1	14,200	2.7	9	345,060	648,000	302,940
Project Manager	1	14,200	2.7	9	345,060	633,000	287,940
Project Manager (Site Prep)	7	14,200	2.7	12	3,220,560	3,830,400	609,840
Technical Specialist	8	14,200	2.7	6	1,840,320	2,880,000	1,039,680
Testing & Commissioning Team	2	14,200	2.7	30	2,300,400	1,980,000	(320,400)
Total					8,051,400	9,971,400	1,920,000

TABLE 2

Difference between market rate and contract price capex Phase 1								
NO	WORKSHOP	LOCATION	PERIOD (DAYS)	NO. OF PARTICIPANTS	PRICE CLAIMED (RM)	RESEARCH MARKET PRICE (AUDITED CALCULATION) (RM)	DIFFERENCE (RM)	PERCENTAGE (%)
1.	Integrated Process Business 1	Hotel Bayview, Melaka	1	35	265,861	47,600	218,261	82
2.	Integrated Process Business 2	Hotel Hilton, Kuching	4	64	265,861	185,472	80,389	30
3.	Integrated Process Business 3	Corus Paradise Resort, PD	3	50	265,861	127,190	138,671	52
4.	MERS Agency 1	Meritus Pelangi Beach Resort, Langkawi	4	64	255,005	265,384	(10,379)	(0.5)
5.	MERS Agency 2	Hotel Mahkota, Melaka	3	53	255,005	135,755	119,250	47
6.	Medical Protocol Business	Hotel Avillion, PD	2	26	152,110	46,520	105,590	69
7.	Dashboard Intelligent Agency	Hotel Holiday Inn, Melaka	3	45	138,000	115,050	22,950	17
8.	MSAFE Business Workshop	Hotel Marriot, Putrajaya	2	25	51,750	53,500	(170)	(0.3)
9.	Individual Agency Workshop 1	A Famosa Resort, Melaka	3	20	255,005	43,280	211,725	83
10.	Individual Agency Workshop 2	Selesa Beach Resort, PD	1	18	255,005	47,310	207,695	81
11.	Individual Agency Workshop 3	Aseania Resort, Langkawi	4	18	255,005	62,296	192,709	75
12.	Individual Agency Workshop 4	Hotel Avillion, PD	3	32	255,005	66,560	188,445	73
13.	Individual Agency Workshop 5	Hotel Holiday Inn, Melaka	3	45	255,005	115,050	139,955	54
14.	Individual Agency Workshop 6	Hotel Holiday Inn, Melaka	2	20	255,005	45,200	209,805	82
15.	Individual Agency Workshop 7	Hotel Holiday Inn, Melaka	2	20	255,005	45,200	209,805	82

Extracted from Auditor – General's Report 2012

the MERS 999 operated according to schedule. It must also prosecute prank callers, include penalty clauses in contracts on errant contractors who fail to meet deadlines as well as ensure that

negotiations are in line with regulations set by the Finance Ministry. It said contracts should be drawn up within the stipulated timeline and the project must be well-managed.

It is also recommended that the appointment of consultants, training management and overseas trips must be done transparently and according to financial rules.

The Auditor-General also advocated the setting up of an investigating committee to review all transactions, claims and payments made under the MERS 999 project and to bring to book officers responsible for making improper payments to TM.

This is just one case of wastage and leakages involving one ministry that has been highlighted by the Audi-

tor-General. The blatant disregard for proper accounting of expenditure by a corporatised body of the government is unacceptable.

Recommendations have been made. It is now up to the Information, Communications and Culture Ministry to act on it. It has turned a blind eye long enough. ■

**“There is one conspicuous claim: RM303,813 for a four-day trip to Geneva, Switzerland by a senior government officer. The Auditor-General feels the trip should not have cost more than RM50,000.”**

was not adhered to. The ministry also paid for the overseas trip in one lump sum.

In response, the ministry said: “We admit that there is a flaw in monitoring the payment for the overseas trips as we relied entirely on TM’s feedback as well as the agreement of MERS 999’s Monitoring and Assessment Committee. We will ensure that such matters are not repeated in future contracts.”

The Information, Communications and Culture Ministry’s weak responses to TM’s excessive spending and claims does not seem reassuring. Hundreds of millions have already been wasted on a project that has failed to meet its objectives. The Ministry has indicated that it will be more vigilant in the next phase of TM’s contract which is 2013-2014. The question is will they make good with their assurance? It will be revealed come next September.

