

PRIME MINISTER'S DEPARTMENT
THE MALAYSIAN PARLIAMENT
PUBLIC WORKS DEPARTMENT
UPGRADING AND REPAIR WORKS PROJECT OF
THE MALAYSIAN PARLIAMENT BUILDING

Main Points

What we
examined?

- J The Upgrading and Repair Works Project for the Malaysian Parliament Building began in 2011 with the original cost of RM520 million approved by the Cabinet. This project was implemented in phases, namely phase 1A, 2A, 2B, 3A, 3B, 2C(i) and 2C(ii). As at 31 December 2021, a total of six phases have been completed and the last phase, 2C(ii) is under construction with the total cost of RM626.10 million.
- J The Audit was conducted to assess whether this project is managed efficiently and effectively in order to achieve the objectives of upgrading and repairing the Malaysian Parliament Building by conserving the characteristics of national heritage buildings. This project aims to transform the Malaysian Parliament to be more conducive in performing its function as a supreme legislative institution and as the symbol of the country's parliamentary democracy.
- J The Audit covered two key areas namely project performance and project management. Project performance was evaluated based on two areas, the output and outcome achievement. The output was measured based on the physical performance of project and ICT system development.
- J The outcome achievement included the following:
 - The success of overall project implementation.
 - Optimal uses of facilities that have been upgraded and repaired.
 - Preservation of the original heritage features of the Parliament building.
 - Users' satisfaction on the physical facilities, support systems and development of ICT systems that have been upgraded and repaired in this project.

Why it is important to audit?

- J Project management activities included financial performance, value management, procurement and contract management, and the governance of ICT system development.
- J The Audit was conducted at the Prime Minister's Department (JPM), the Malaysian Parliament and the Public Works Department (JKR/PWD). The Ministry of Finance Malaysia (MoF) and the National Heritage Department (JWN) were also involved during the audit work.

- J The Parliament building had turned 50 years old and the inspection result on 2011 found that the building structure was at a critical level and the needs to repair immediately for ensuring the safety of users.
- J Overall, the Government has allocated RM626.10 million to provide conducive environment and adequate facilities to users to conduct the functions of the Malaysian Parliament. Meanwhile, the original heritage features of the Parliament will maintain for next generations.

What we found?

- J In conclusion, this project has exceeded the completion target of six years. The first phase started on 2011 and took up to 14 years to complete while the last phase, 2C(ii) is expected to be completed by January 2025 instead of in 2016. Measurement of performance outcome also cannot be evaluated because the last phase is still in progress until 31st December 2021. Among the weaknesses in project management that need to be given attention are as follows:
 - A total of nine EOT for three phases is 859 days.
 - The facilities in the Temporary House Block and the Members of Parliament and Administration Block have yet to reached the optimum level of utilization.
 - Four modules in the e-Parliament system were not used optimally, namely the Allowance and Claims Module of Members of the House, e-Attendance Module/Facial Biometric Recognition/e-Voting, Speaker's Note Module and Speakers Module.

- Conservation works on the Main Block and the maintaining the design of the heritage features facade on the new building that have been carried out did not receive any written comment and approval from the National Heritage Department.
- 63.6% of respondents were very satisfied and satisfied while 11.8% of respondents were not satisfied and less satisfied in the user satisfaction survey.
- A total of 171 Variation Orders (APK) and 126 Contract Price Adjustments (PHK) have resulted in increases in contract prices amounting to RM5.78 million (1.3%) to RM447.40 million.
- The project cost ceiling has increased by RM106.10 million (20.4%) from RM520 million to RM626.10 million to cover the scope of work variation on phase 2B and 2C.
- Value Management (VM) that was implemented on 2012 was less effective and unable to control the cost and implementation duration of the project.
- There were delays of between 14 to 90 days to complete the original and addendum to the supply of furniture contract documents.
- There were no fines and penalties clauses in the furniture suppliers' contract to safeguard the interests of the Government.
- Weaknesses in the governance of ICT system development as follows:
 - Procurement of ICT system development scope was not in accordance with the decision of the ICT Technical Committee (JTICT).
 - There were weaknesses in the system design specification including the Administrator Module, Members of Parliament Information Module and e-Attendance Module.
 - The ICT components on Assurance, Maintenance and Support Services were implemented together with the ICT system development period.

- Certificate of Completion was issued although the scope of ICT work as per contract has not been completed.

What do we recommend?

) To overcome the weaknesses highlighted and to ensure no recurrence in the future, the National Audit Department recommends the following actions:

- PWD needs to ensure comprehensive governance and effective monitoring, so that the implementation of the project is successfully achieved in accordance with the objectives.
- Parliament and PWD must ensure the management of ICT system development is referred to the authorised agencies to maintain the need, the interest and security of the public sector ICT.
- Parliament needs to ensure that asset procured are optimally used and are fully utilized.