

## **PAYMENTS OF DIGITAL CONTENT GRANT**

Ministry of Communication and Multimedia\*

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### **Main Points**

#### **What we examined?**

- Payments of Digital Content Grant disbursed by the Ministry of Communications and Multimedia (K-KOMM) to Content Development Division K-KOMM, National Film Development Corporation Malaysia (FINAS) and Malaysia Digital Economy Corporation (MDEC).

#### **Why it is important?**

- To determine whether the spending of digital content grant was in accordance with the laws, terms of agreements, guidelines and financial regulations.

#### **What we found?**

- Overall, based on the Audit scope, there were weaknesses in the payments of Digital Content Grant involving wastage and loss of public fund amounting to RM4 million and improper payment of RM7.31 million. Lack of monitoring by the Ministry on the regulations and enforcement of agreements resulted in wastage of public funds and improper payment. The Audit findings are as follows:
  - payments of Digital Content Grant from year 2017 to 2019 amounting to RM4 million was made despite the failure to complete the project as at 31<sup>st</sup> May 2022;
  - payments of grant amounting to RM3.25 million was made before the completion of previous project;
  - Digital Content Grant disbursed to companies related to members of the Board of Directors or committee members amounting to RM4 million; and
  - improper payments of RM60,000 and the sale of broadcasting rights without approval.

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\* Presently known as Ministry of Communication and Digital

**What do we  
recommend?**

- The Audit recommendations are as follows:
  - Ministry need to enhance monitoring towards compliance with the laws, terms of agreements, guidelines and financial regulations. Evaluation on applications of the grant should be more detailed to ensure the applicants adhere to the laws, terms and guidelines of the grant;
  - increase monitoring on the usage of the grants in companies to ensure the projects are completed within the stipulated timeline and at the same time adhering to the guidelines; and
  - to control any sale of broadcasting rights to outside parties and if allowed, to determine the policy on sales sharing.