

COLLECTION OF DEBTOR'S CLAIMS FOR STUDY LEAVE COMPENSATION

Universiti Kebangsaan Malaysia
Ministry of Higher Education

Main Points

What we examined?

- Collection of Debtor's Claims for Study Leave Compensation at Universiti Kebangsaan Malaysia (UKM).

Why is it important?

- To determine whether claims and debt collection are made from debtors who are required to pay compensation for their study leaves are in line with Study Leave Agreement, guidelines, procedures, and financial procedures in force.

What have we found?

Overall, UKM has implemented T.E.R.A.S UKM 2021-2025 strategic plan to increase cooperation with renowned universities and encourage academic staff to increase their expertise in the fields that have been identified. However, based on the scope and Audit samples, claims from the year 2015 to 2021 amounting to RM1.50 million could not be collected. Weaknesses that require attention are as follows:

- Delays in taking action against debtors causes UKM to lose revenue amounting to RM0.64 million; and
- Reduction of debt repayment and payment of compensation for study leave *in kind* amounting to RM0.86 million could not be collected due to the collection of claims being limited by the Time Limit Act 1953 [*Act 254*] as well as *in-kind* not executed by the debtor.

What do we recommend?

- The audit recommendations are as follows:
 - review the process and set a period for action taken to the debtor and ensure that scholarship recipients serve according to their contract period;
 - Preparation of a new agreement for each change of terms to the agreement approved to the debtor; and

- The role between the University's Board of Directors and the management of UKM needs to be clearly stated to ensure that both parties perform their respective roles according to the jurisdiction that has been determined.