

PAYMENT FOR BUILDING

COMPANIES COMMISSION OF MALAYSIA

Ministry of Domestic Trade and Cost of Living

Main Points

What we examined?

- Auditing of payment for four buildings of the Companies Commission of Malaysia (SSM) for the period of 2016 to 2019.

Why it is important?

- To determine whether payment for four SSM buildings have been carried out in an orderly manner and in compliance with the terms of the agreement, financial regulations, and the procurement manual.

What we found?

- Overall, based on the scope of the Audit, the purchase of the building has achieved the purpose of being used as SSM's office and operations. However, there is a potential loss amounting to RM1.04 million for the value of 52 parking lots that have not yet been provided.

What do we recommend?

- The audit recommendations are as follows:
 - SSM needs to ensure that SSM's rights to own 52 parking lots at Menara SSM Sarawak are being fulfilled by company 108378-X immediately to attract potential tenants;
 - SSM needs to review the provision of the Supplementary Agreement by ensuring that important details such as the delivery clause of 52 parking lots by company 108378-X are clearly stated and penalty clause for the delay in the delivery of the 52 parking lots is enforced; and
 - SSM needs to ensure that the proposed repurchase of 52 parking lots at RM20,000 per unit within 10 years by company 108378-X through the Supplementary Agreement secures the SSM's interest.