

SPENDING OF DEVELOPMENT GRANT SME INVESTMENT PARTNER PROGRAMME AND GOING EXPORT PROGRAMME

Small and Medium Enterprises Corporation of Malaysia
Ministry of Entrepreneur Development and Cooperatives

Main Points

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| What was audited? | <ul style="list-style-type: none">• Audit of the grants' expenditures for SME Investment Partner Programme (SIP) and Going Export (GoEx) Programme by Small and Medium Enterprises Corporation of Malaysia (SME Corp.). SME Corp. is the central coordinating agency that coordinates the implementation of development programmes for small and medium enterprises (SMEs). |
| Why is it important to be audited? | <ul style="list-style-type: none">• To determine whether development grants for SIP programme and GoEx programme received were used for the approved purposes in accordance with applicable laws, policies, financial regulations, and agreement in effect. |
| What are the audit findings? | <ul style="list-style-type: none">• The grants' expenditures amounting to RM42.79 million (71.9%) has benefited the SMEs while the remaining RM16.73 million (28.1%) was not spent, causing opportunity cost to the SMEs and Government as the grants were not fully utilized. |
| Audit Recommend actions | <ul style="list-style-type: none">• The Audit recommendations are as follows:<ul style="list-style-type: none">- SME Corp. must plan and consider all SMEs needs before applying to the Ministry for funds to implement the relevant programmes; and- The Ministry of Entrepreneur Development and Coperatives, the Ministry of Economy and the Ministry of Finance must monitor the performance of programme expenditures to ensure that grants given to agencies are fully spent for the purposes of the grants. If the grants were not utilised, the remaining grants must be returned immediately so that it can be used for other development programmes. |

