

**MINISTRY OF WORKS
CONSTRUCTION INDUSTRY DEVELOPMENT
BOARD MALAYSIA**
PROGRAMME MANAGEMENT STRENGTHENING THE
CAPACITY, ABILITY AND COMPETITIVENESS OF THE
CONSTRUCTION INDUSTRY

Main Points**What we
examined?**

- The National Construction Policy (NCP) 2030 states that the construction sector is often associated with Asian 4D neologisms, namely Dirty, Dangerous, Difficult and Demeaning. The construction sector in Malaysia needs to move from this outdated perception to the 1D sector or field that is Dignified which is more desirable and dignified.
- Strengthening the Capacity, Capability and Competitiveness of the Construction Industry (MKKD) Programme is under Strategic Thrusts 4, Ministry Of Works (KKR) Organizational Strategic Plan (PSO) 2016-2020 and continues under Strategic Thrusts 3, PSO KKR 2021-2025.
- The MKKD Programme is a programme to produce the skilled worker of contractor of trainees to produce more local construction industry personnel and contractors in order to reduce the dependence of foreign workers in the national construction industry.
- The MKKD Programme involves KKR, the Construction Industry Development Board (CIDB), CIDB Holdings Sdn. Bhd. (CIDBH), Akademi Binaan Malaysia (ABM) and CIDB Technologies Sdn. Bhd. (CIDB Tech).
- Programme performance is evaluated based on the achievement of outputs and outcomes. Programme management covers financial allocations and expenses, training equipment management, programme sponsorship conditions, Ministry-level monitoring, and enforcement of construction personnel.

**Why it is
important to
audit?**

To assess whether the management of the MKKD Programme is managed efficiently, effectively, and economic to achieve the objective of programme to increasing the capacity and capability of contractors

and increasing the number of high-profile contractors in the construction industry; increase the skills level and number of skilled local construction personnel; and increase the competitiveness of the construction industry at the global level.

Conclusion Overall, the performance of output and outcome programme have not been fully achieved related to Development of Construction Contractors and Entrepreneurs Programme; Workforce Competence in the Construction Industry; and Competitiveness of the Construction Industry at the Global Level. In addition, programme management is less than satisfactory because there are still weaknesses in the management of training equipment, sponsorship conditions, monitoring and enforcement that can be improved.

NO.	AUDIT ISSUES	IMPACT	RECOMMENDATION FOR SOLUTIONS
1.	Development of Construction Contractors and Entrepreneurs <ul style="list-style-type: none"> Only 692 contractors (45.2%) registered as Facility Contractors for the year 2022 compared to 1,530 participants of the FM Programme. Only 33 (0.03%) contractors achieved a 5-star SCORE compared to 121,036 registered contractors in 2020. Only 76 (6.1%) of the 1,256 contractors showed an improvement in SCORE rating after attending the Coaching Programme. The overall achievement for the SCORE Programme was low as the number of contractors rated by star was only 5.2% compared to 124,015 registered contractors until 2022. 	The number of high-profile contractors in the construction industry remains low and less competitive at home and abroad.	Provide a more effective approach by evaluating and reviewing strategies to improve contractor capacity and capability, especially SCORE rating so that the production of quality and competitive contractors locally and internationally.

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2.	Workforce Competence in the Construction Industry <ul style="list-style-type: none"> An increase of 73,649 (76.9%) foreign workers from 95,777 personnel in 2017 to 169,426 personnel in 2022. A total of 83,058 (57.1%) participants had inactive status of registration of construction personnel in the construction industry in 2022. 72,787 (52.2%) participants who have contributed to SOCSO, only 18,618 (25.6%) participants are in the construction industry. The median income in the construction industry is RM2,973. Only 14,784 (67.8%) graduates completed youth training, work in the construction industry. 281 (81.4%) of 345 respondents work in the construction industry. 	The number of qualified participants working in the industry is still low, causing the dependence of foreign workers in the construction industry is still high.	Evaluate and review strategies to improve the competence of local construction personnel through accreditation, considering the increase in skill levels, marketability, and the industry's requirements so that income is reasonable and trained personnel remain in the construction industry.
3.	Programme Management <ul style="list-style-type: none"> Training equipment namely ACMV Industrial - Plumbing and Deducting totalling RM922,350 has not been used since receipt in October 2018. 	Waste and losses to the Government money totaled RM922,350.	Improvement of monitoring mechanisms, enforcement, reporting of contractor/personnel data and assessment of program success to achieve the targeted goals.
	<ul style="list-style-type: none"> 53 participants for the Youth Competency Training Programme (LKK) and Trained Personnel in ABM Southern Region and ABM Sabah Province aged between 46 to 66 years who were not eligible for a total of RM52,985.50. 	Irregular payments for improper sponsorship claims resulted in a loss of RM52,985.50.	
	<ul style="list-style-type: none"> KKR and the agency have not used any system for programme monitoring since 2017. 	The objectives of the planned programme were not measured.	

NO.	AUDIT ISSUES	IMPACT	RECOMMENDATION FOR SOLUTIONS
	<ul style="list-style-type: none"> Enforcement rate towards scope of construction personnel only 6.9%. 	The number of registered and certified construction personnel is still low.	