

THE RETURN OF GOVERNMENT CONTRIBUTIONS AND UTILISATION OF DIVIDEND ON GOVERNMENT CONTRIBUTIONS

Armed Forces Fund Board
Ministry of Defence

Main Points

What we examined?

- The return of Government contributions and utilisation of dividend on Government contributions for annual dividend declaration by the Armed Forces Fund Board.

Why it is important?

- To determine whether the return of Government contributions and utilisation of dividend on Government contributions are in accordance with laws and financial regulations.

What we found?

- The audit findings are as follows:
 - Government contributions amounted to RM695.06 million was paid to the Retirement Fund (Incorporated) instead of to the Consolidated Fund; and
 - improper dividends payment from year 2018 to 2020 by using dividend on Government contributions amounted to RM600.59 million.

What do we recommend?

- The audit recommendations are as follows:
 - payment of Government contributions be made to the Consolidated Fund in accordance with paragraph 9(3)(c), Act 101;
 - review Act 101 by clearly defined the rights of dividend on Government contributions under subsection 9(2); and
 - annual dividend payments be made in accordance with subsection 11(2), Act 101.