

## **REIMBURSEMENT COST ON MAINTENANCE SERVICES FOR GOVERNMENT INTEGRATED RADIO NETWORK**

National Security Council  
Prime Minister's Department

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### **Key Highlights**

#### **What was audited?**

- Reimbursement Cost on Maintenance Services for Government Integrated Radio Network (GIRN) project through Public Private Partnership between the Government and the concession company.

#### **Why it is important to be audited?**

- To determine whether the reimbursement cost on maintenance services for GIRN have been appropriately approved and supported with complete documentation as an evidence on the services that have been rendered.

#### **What are the audit findings?**

- The audit findings are as follows:
  - reimbursement on maintenance services amounted to RM499.18 million was paid without verification on Key Performance Indicators (KPI) reports;
  - rebate amounted to RM2.50 million was not deducted even though the two KPI parameters were not achieved by the concession company;
  - the reimbursement of insurance amounted to RM23.51 million were inappropriately claimed by the concession company; and
  - payment amounted to RM150.19 million relates to the other maintenance expenses were could not be verified.

## **Audit Recommendations**

- The audit recommendations are as follows:
  - ensure the reimbursement claim by the concession company appropriately verified in accordance with the contract clauses before payment is certified;
  - enforce the existing contract clauses and revise the terms to ensure value for money of the work and services provided to avoid leakages;
  - ensure governance and monitoring of contract are executed efficiently and thoroughly to protect the Government's interest; and
  - review the payments made to the concession company which was proven not adhered to the contract clauses for further reduction on reimbursement.