

RENTAL COLLECTION OF CONCESSION COMPANIES' ADMINISTRATION OFFICES AND COMMERCIAL SITES ALONG PENINSULAR MALAYSIA HIGHWAYS

Ministry of Works

Key Highlights

What was audited?

- Rental collection of concession companies' administration offices and commercial sites along Peninsular Malaysia highways.

Why it is important to be audited?

- To determine whether rental collection from concession companies' administration offices and commercial sites has been carried out in accordance with the laws, financial regulations and terms of agreement.

What are the audit findings?

- The audit findings are as follows:
 - rental collection of the concession companies' administration offices amounted to RM2.57 million was not accounted in the Consolidated Fund;
 - rental on concession companies' administration offices of RM2.77 million was not collected; and
 - rental on commercial sites worth of RM32.09 million was collected by eight concession companies without leasing agreements.

Audit Recommendations

- The audit recommendations are as follows:
 - ensure leasing agreement matters are resolve between concession companies and Department of Director General of Lands and Mines (JKPTG), in order for rental collection on concession companies' administration offices and commercial sites is accounted in the Consolidated Fund; and

- establish rental rates for commercial sites, therefore the rental collected by the concession companies is appropriately accounted for in the Consolidated Fund.