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2019-2024 INVESTIGATIONS

RM10.4M FRAUD UNCOVERED IN FEDERAL DEPARTMENT

Case involved salary overpayment by civil servant who has been jailed and fined, says accountant general

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FRAUDULENT transactions involving RM10.4 million by a civil servant were uncovered at a federal department, said Accountant General Nor Yati Ahmad.

She said investigations from 2019 to 2024 into public fund misappropriation had led to the recovery or detection of about RM18 million in losses.

"There was one case involving a civil servant, amounting to RM10.4 million. It occurred at a federal department.

"Enforcement authorities have taken follow-up action," she said at a press conference after launching the Accounting Fraud Task Force here yesterday.

Present were Malaysian Anti-Corruption Commission (MACC) Chief Commissioner Tan Sri Azam Baki and Auditor General

Datuk Wan Suraya Wan Mohd Radzi.

Nor Yati said most accounting fraud cases involved manipulation of procedures and financial processes, including tampering with accounting and financial management systems.

Separately, when contacted by the *New Straits Times*, Nor Yati said the RM10.4 million case involved the overpayment of salaries by a civil servant holding the position of Administrative Assistant (Finance) Grade W19.

She said the case was handed to police and the suspect resigned on Dec 31, 2021.

"Further investigations by the police revealed elements of money laundering and criminal breach of trust (CBT).

"The Sessions Court sentenced the individual to a total of 468 years of imprisonment and a fine of RM180 million in default 36 months' jail and three strokes of the cane.

"The department involved has

also taken disciplinary and surcharge action against all supervisors and finance officers who were supposed to carry out monitoring functions but were found negligent in fulfilling their responsibilities, resulting in the mismanagement of salary payments within the department."

The main cause of this loss of public funds, she said, was the department's non-compliance with the established standard operating procedure (SOP) for salary payments.

She added that directives and notices were then issued to all federal government offices to place greater emphasis on compliance with SOP for salary payment processes.

"Continuous monitoring and improvements are also being carried out on the federal government salary payment system.

"Drastic and systematic measures have been implemented immediately, including rotation of duties, enhanced supervisory roles, separation of duties (to avoid one-man shows), ensuring tasks are handled by more than one person (with a backup) and strengthening internal financial management controls," she said.

Earlier in her speech, Nor Yati

said public sector agencies must adopt a collaborative approach to navigate an increasingly challenging and complex technological landscape.

This could be achieved through cooperation and the sharing of best practices among public and private sector agencies to strengthen fraud prevention policies, regulations and methodologies.

"The Madani government, which emphasises the principles of governance and integrity, stands to benefit significantly from the implementation of the Accounting Fraud Task Force.

"The Accountant General's Department is fully committed to supporting and helping this group in achieving its objectives.

"We believe that through this strategic synergy, efforts to combat fraud can be carried out more effectively and comprehensively."

The task force, spearheaded by MACC, includes representatives from the Auditor General's Department, Accountant General's Department, Inland Revenue Board, Malaysian Companies Commission, Universiti Teknologi Mara and the Malaysian Institute of Accountants.



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NOR YATI AHMAD
Accountant General