

2006 Auditor General Report Summary

Title of the Audit

Nilai Municipal Council - Privatisation on Cleaning Services and Disposal of Solid Waste

Introduction

The municipal is fully responsible to provide the cleaning services on the operational area. The cleaning management in the municipal has been privatised in the year of 2003 instructed by the Ministry of Housing and Local Government. The objective of privatisation is to increase the efficiency of cleaning works and disposal of solid waste in accordance with the rapid development in the municipal area.

Audit Objective

The audit objective is to determine whether the cleaning services provided by the company have been implemented properly, efficient and effectively to ensure the municipal area is clean and to guaranty the residents' contentment and peaceable.

Audit Methodology

- (i) Records, files and documents such as minutes, public complaints, payment vouchers and work schedules for the period 2004 to 2006 were scrutinised.
- (ii) Physical visits were conducted to 40 locations which receive the cleaning services.
- (iii) Interviews were carried out with the municipal officers and publics.

Audit Findings

Several weaknesses found in the privatisation on cleaning services and disposal of solid waste were as follows:

- (i) Economic Planning Unit (EPU) was not carry out the feasible study on the appropriateness of the implementation of privatisation projects throughout the country.
- (ii) Notice of Correct (NTC) was regularly issued by the municipal and increased in public complaints due to unsatisfactorily performance of SMW.
- (iii) The municipal was not afforded to pay the service charges due to limited financial. Bill payable was increase to RM17.15 million in the year end of 2006 which is 56.5% of assessment tax income.