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MoF maintains accountability and transparency of financial governance, says Tengku Zafrul

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KUALA LUMPUR, April 7 – The Ministry of Finance (MoF) is steadfast in maintaining the accountability and transparency of financial governance, and the sole priority during the state of emergency period is the use of all existing policies and legislation to protect the lives and livelihoods of the people.

In terms of accountability and transparency, the MoF has issued the Malaysian Treasury Circular PB 1.4, Procedure for Estimating Additional Expenditure for the Emergency Period.

It outlines guidelines, matters related to the governance of additional expenditure, as well as the processes involved related to the management of additional expenditure during the emergency period.

"The governance outlined will ensure that the additional allocation for this year is a much-needed expenditure. The government's financial position is also taken into account by the MoF before any application is considered," Finance Minister Datuk Seri Tengku Zafrul Tengku Aziz said in a statement today.

"Hence, I would like to reiterate my comment on March 22, 2021, where I stressed that, the government's statutory

debt, which includes the issuance of MGS, MGII and MITB, is limited to 60 per cent of gross domestic product (GDP)."

External Loans and Treasury Bill Debts are limited to RM35 billion and RM10 billion, respectively, he said in response to allegations and assumptions hurled by certain quarters on the government's transparency and sincerity in prioritising the welfare of the people, especially in the adoption of various policies to achieve this goal.

"Although this Ordinance is enforced, the debt limit is still subject to the respective Acts governing various types of debts. As of the end of 2020, the level of the government's statutory debt was RM820.7 billion or 58 per cent of GDP, and it is expected to reach 58.5 per cent by year-end."

For External Loans and Treasury Bill Debt, he said the debt levels of these two instruments were RM28.3 billion and RM6.5 billion, respectively.

"I would also like to explain about the process of approving the Federal Government's additional expenditure by the Dewan Rakyat. Normally, the MoF will approve the application for additional allocation in advance through Contingency Fund, Contingency Savings or Spending Authorisation Letter before obtaining the approval of the Dewan Rakyat.

"For example, additional expenditure by the Pakatan Harapan government in 2019 was only tabled by the Perikatan Nasional government in mid -2020 for parliamentary approval," he said.

Therefore, one of the purposes of the amendment to this ordinance was to enable the additional expenditure for 2020 to be approved immediately, taking into account that the additional expenditure for 2020 had already been spent last year.

At the same time, the Public Accounts of the Federal Government 2020 is also in the process of being audited for finalisation, he said, adding that furthermore, this ordinance only touches on additional expenditure, and never touches on the preparation of the annual budget.

"This means that similar to the 12th Malaysia Plan, the government will present Budget 2022 (the budget for next year) in Parliament, in line with the provisions of the Federal Constitution."

Tengku Zafrul said it should be emphasised that the purpose of the declaration of the state of emergency by Prime Minister Tan Sri Muhyiddin Yassin on Jan 11, 2021 was to ensure a swift and immediate action was taken to address the spread of COVID-19 to protect the well-being of the people, ensure business continuity and stimulate economic recovery.

"The measures were also temporary in nature, and not permanent. As soon as the state of emergency is lifted, all actions taken by the government during this period will be presented and questioned during the Dewan Rakyat sitting later," he said.

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