

**Questionable Entertainment Allowance amounting to
MYR174k to the former Head of Business
Development**

Additional preliminary findings & observations

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1. Questionable Entertainment Allowance amounting to MYR174k to the former Head of Business Development

- We noted a total of six (6) payment vouchers from year 2013 to 2018 totaling MYR174k (average of MYR3,000 /month) was paid to the former Head of Business Development, Norkhan bin Mat Isa
- The payment is highly questionable as we noted the following discrepancies
 - i. Payments could not be traced to CMSB's General Ledgers
 - ii. Payments for such allowances were recorded as "Cash"
 - iii. There is no supporting documents (i.e. employment contract) justifying the entitlement of the entertainment allowance
 - iv. There is no supporting documents (i.e. spend reports) itemizing the usage and/ or breakdown of the entertainment allowance
 - v. Visual comparison of Norkhan's signatures appears to be different
- These entertainment allowances were approved by Dato' Alan
- The findings are illustrated in the ensuing slides.

Additional preliminary findings & observations

1. Questionable Entertainment Allowance amounting to MYR174k to the former Head of Business Development (Contd.)

Yearly "Entertainment Allowance" of MYR36,000 (i.e. MYR3,000 x 12 months) approved by Dato' Alan - Payments appears to be paid in "cash" and no traceable entries in CMSB's general ledger


可人兒 (馬) 有限公司
CAELY (M) SDN. BHD.
 (Company No: 179825-V)
 Lot 265, 3rd Mile, Jalan Malaysia Lela,
 30000 Tebuk Batu, Perak.
 Tel: 05-6218888 (D) Laman Web: 05-6212266, 6215115


PAYMENT/PETTY CASH VOUCHER

ACCOUNT NO. NURBHAHA BIN MAT ISA (31991) - YEAR 2013

FOUD No. _____ DATE: 2/1/2013

PARTICULARS	AMOUNT
BEING PAYMENT FOR MONTHLY ENTERTAINMENT ALLOWANCE.	
RM3000/MONTH X 12 MONTH = RM36,000.00 (CASH)	
TOTAL	36,000.00

CASH/CHEQUE No. _____
 Proposed By: [Signature] Checked By: [Signature]
 Date Entered Account By: [Signature] Date Entered Account: _____
 Signature of Receiver: [Signature]


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CASH/CHEQUE No. _____
 Proposed By: [Signature] Checked By: [Signature]
 Date Entered Account By: [Signature] Date Entered Account: _____
 Signature of Receiver: [Signature]

Additional preliminary findings & observations

1. Questionable Entertainment Allowance amounting to MYR174k to the former Head of Business Development (Contd.)

In the year 2018 a single payment voucher was issued for RM 3,000.00 on the 16th January 2018. This is the only payment that could be traced to CMSB's general ledger

Caelygirl 可人兒(馬)有限公司
CABLYGIRL (M) SDN. BHD.
(Company No: 157988-A)
Lot 266, Jln Mlc., Jalan Mahkota Lela,
65000 Teluk Anson, Perak.
Tel: 05-6218888, 0212536 (20 Lines) Fax: 05-6218286, 6214115

ACCOUNT NO: NORKHAN BIN MAT ISA (2177)

DATE: 16/1/2018

FOFLO No: /

PAYMENT/PETTY CASH VOUCHER

PARTICULARS	AMOUNT
BEING PAYMENT FOR MONTHLY ENTERTAINMENT ALLOWANCE (January 2018)	
-CASH -	
(Only paid in bank by bank. P.C.C. 802001 24.11.18)	
CASH/CHEQUE No. TOTAL 3000.00	
Prepared By: [Signature]	Checked By: [Signature]
Endorsed Account No.	Drawn/Issued Account
[Signature]	

Approved/Received: [Signature]

Date	Acc No.	Acc Name	Doc. No	Description	Debit	Credit
16/1/2018	9999	OCBC - Caely (M) Sdn Bhd (Contra)	PV 01/199C/18	Norkhan Bin Mat Isa - Adv Salary - Jan 2018 Accrual - Salaries - Administrative	-	3,000.00
16/1/2018	4002-001-003-000	Accrual - Salaries - Administrative	PV 01/199C/18	Norkhan Bin Mat Isa - Adv Salary - Jan 2018 Accrual - Salaries - Administrative	3,000.00	

Additional preliminary findings & observations

1. Questionable Entertainment Allowance amounting to MYR174k to the former Head of Business Development (Contd.)

- Based on the information gathered from the Dejawint System, there were only 3 cheques in 2013 issued to Norkhan with an amount of RM 3,000.00 each totaling up to a sum of RM 9,000.00

Bank	Bank Acc No	Chq No	Date	Payee	Amount (RM)
OCBC	723-102674-6	029624	9/7/2013	NORKHAN BIN MAT ISA	3,000.00
OCBC	723-102674-6	029803	15/8/2013	NORKHAN BIN MAT ISA	3,000.00
OCBC	723-102674-6	029959	11/9/2013	NORKHAN BIN MAT ISA	3,000.00

- The same scenario is observed in 2015

Bank	Bank Acc No	Chq No	Date	Payee	Amount (RM)
OCBC	723-102674-6	031990	4/2/2015	NORKHAN BIN MAT ISA	3,000.00
OCBC	723-102674-6	032188	2/4/2015	NORKHAN BIN MAT ISA	3,000.00
OCBC	723-102674-6	032871	1/10/2015	NORKHAN BIN MAT ISA	3,000.00

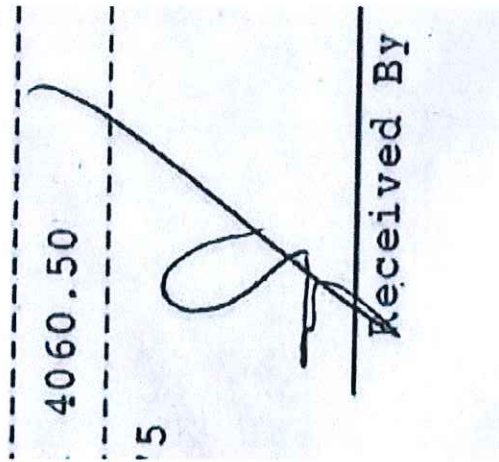
Additional preliminary findings & observations

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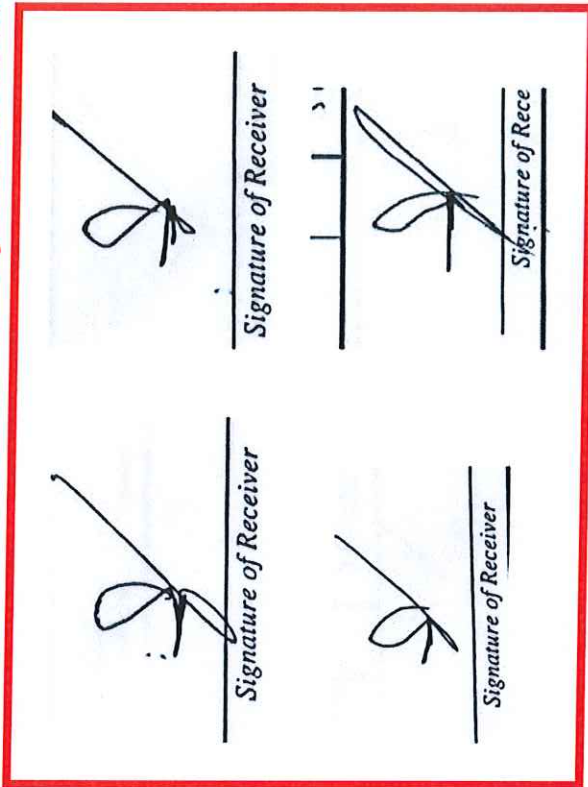
1. Questionable Entertainment Allowance amounting to MYR174k to the former Head of Business Development (Contd.)

- We also noted Norkhan's signatures in the payment vouchers were inconsistent. Below are some examples.

Norkhan's signature identified from HR File



Various signature found in Payment Vouchers



**Unusual write-off of debt amounting to MYR140k of a
customer account relating to Mutiara Intra Timur Sdn
Bhd and spouse of Norkhan bin Mat Isa**

Additional preliminary findings & observations

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2. Unusual write-off of debt amounting to MYR140k of a customer account relating to Mutiara Intra Timur Sdn Bhd and spouse of Norkhan bin Mat Isa

- We found a construction contract between CMSB and one Norainah binti Mohd Salleh dated 31 March 2015
- The contract was for the construction of a Double Storey Bungalow amounting MYR428k (excluding GST @ 6%) on the land H.S.(M) No. 3485, PT No. 4439, Mukim of Batang Padang, District of Batang Padang, State of Perak Darul Ridzuan.
- We further noted a purported "Variation Order" of an additional MYR3,420 to the contract sum – i.e. total contract sum of MYR431k
- Our analysis of CMSB general ledger and contract noted the transaction appears to be highly questionable as we noted the following:
 1. Whilst the construction contract was dated on 31 March 2015, the contract stated that construction started on 02 January 2015 (i.e. three (3) months prior to the purported date of the contract).
 2. Despite construction purportedly commenced on 02 January 2015 and request for payment (i.e. invoicing/ progress claim) shall be supported by a certificate signed by the Architect or the Consultant, we noted only one (1) invoice amounting to MYR342k issued to the "customer" on 31 March 2015 (i.e. the date of the contract).
 3. Despite invoicing the full contract amount, the purported customer only paid MYR290k to CMSB (i.e. 67% of the contract sum). This excludes GST output taxes incurred by CMSB.
 4. The balance of MYR147k (including GST) was provided for as "doubtful debt" on 31 March 2020 (i.e. three (3) years after the issuance of the final bill. However, there is no evidence that legal action was taken to recover the outstanding debt.
 5. All invoicing to the customer appears to happen on the last day of CMSB's financial year end.

Additional preliminary findings & observations

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2. Unusual write-off of debt amounting to MYR140k of a customer account relating to Mutiara Intra Timur Sdn Bhd and spouse of Norkhan bin Mat Isa (Contd.)

6. Analysis of the cost for the purported project was MYR429k – which translate to an extremely minimal project profit of MYR2k (including the purported “Variation Order”). Ultimately, the company incurred a loss of MYR147k
 7. The audit confirmation issued to the purported customer was signed by Norkhan bin Mat Isa. Upon checking the personnel file, noted that the purported customer (i.e. Norainah binti Mohd Salleh) is the spouse of Norkhan bin Mat Isa.
- Our findings are illustrated in the ensuing page.

Additional preliminary findings & observations

2. Unusual write-off of debt amounting to MYR140k of a customer account relating to Mutiara Intra Timur Sdn Bhd and spouse of Norkhan bin Mat Isa (Contd.)

CMSB Invoicing and Receipts for the construction contract with Norainah binti Mohd Salleh

YE	Date	Acc No.	Acc Name	Doc. No.	Description	Double entry account	Debit	Credit
2014	01-04-2013	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah		Balance B/F			
2015	31-03-2015	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	INV 00000191	Norainah Binti Mohd Salleh - Lot 13682	5001 - Pekam Getah - Norainah - Lot 13682	342,400.00	-
2016	31-03-2016	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	OR 00000538	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	MBB - 508-065609-651	-	250,000.00
2016	31-03-2016	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	INV 00000266	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah - PB02	5001 - Pekam Getah - Norainah - Lot 13682	5,136.00	-
2016	31-03-2016	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	INV 00000265	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah - PB02	5001 - Pekam Getah - Norainah - Lot 13682	85,600.00	-
2016	31-03-2016	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	INV 00000266	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah - VO	5001 - Pekam Getah - Norainah - Lot 13682	205.20	-
2016	31-03-2016	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	OR 00000269	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah - VO	5001 - Pekam Getah - Norainah - Lot 13682	3,420.00	-
2018	19-07-17	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	OR 00000879	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	OCBC - Casly (M) Sdn Bhd (Contra)	-	40,000.00
2020	31-03-2020	3000-MC0	Mutiara - Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	JV 03/0357/20	Norainah Binti Mohd Salleh - Lot 13682 - Pekam Getah	Allowance for Doubtful Debts	-	146,761.20

Project costing purportedly related to the construction contract

YE	Date	Acc No.	Acc Name	Doc. No.	Description	Debit	Credit
2014	01-04-2013	6001-004	Pekam Getah - Norainah - Lot 13682		Balance B/F		
2015	30-06-2014	6001-004	Pekam Getah - Norainah - Lot 13682	PC15-1	Pekam Getah - Norainah - Lot 13682	8,400.00	-
2015	30-06-2014	6001-004	Pekam Getah - Norainah - Lot 13682	PC15-3	Pekam Getah - Norainah - Lot 13682	800.00	-
2015	31-03-2015	6001-004	Pekam Getah - Norainah - Lot 13682	JV 00000055	Lot 13682 P Getah - Prelim - Mar 15	34,000.00	-
2015	31-03-2015	6001-004	Pekam Getah - Norainah - Lot 13682	JV 00000055	Lot 13682 P Getah - Building - Mar 15	252,000.00	-
2015	31-03-2015	6001-004	Pekam Getah - Norainah - Lot 13682	JV 00000055	Lot 13682 P Getah - Architect - mar 15	8,480.00	-
2015	31-03-2015	6001-004	Pekam Getah - Norainah - Lot 13682	JV 00000069	Qualify Interco Int Exp - Lot 13682	1,477.13	-
2016	31-03-2016	6001-004	Pekam Getah - Norainah - Lot 13682	JV 00000716	Pekam Getah Lot 13682 cost taken up	116,526.09	-
2016	31-03-2016	6001-004	Pekam Getah - Norainah - Lot 13682	JV 00000781	Pekam Getah - Lot 13682 - Qualifying Int	-	116.81
2020	30/04/2019	6001-004	Pekam Getah - Norainah - Lot 13682	JV 04/033/19	Jonny Doi Architect - Lot 13682 - Cost under taken	7,652.00	-



Cost @ MYR429k

Additional preliminary findings & observations

2. Unusual write-off of debt amounting to MYR140k of a customer account relating to Mutiara Intra Timur Sdn Bhd and spouse of Norkhan bin Mat Isa (Contd.)

Audit Confirmation by PwC to Norainah binti Mohd Salleh signed by Norkhan bin Mat Isa

~~We confirm~~ that we are in agreement with the above mentioned balance(s) of RM 186,761.20 in your favor at 31st March 2016.

OR:

We are not in agreement with the above mention balance(s) of RM..... for the following reasons:
[Give details of all exceptions]



**Norkhan's
signature**

.....
(Signature)

22/6/2016

(Date)

NORAINAH BT. MOHD SALLEH

(Name of customer)

.....
(Name and job title of customer official)

***Unusual journal entries to reduce Mutiara Intra Timur
Sdn Bhd's debt owing to CMSB***

Additional preliminary findings & observations

3. Unusual journal entries to reduce Mutiara Intra Timur Sdn Bhd's debt owing to CMSB

- Our analysis of Mutiara Intra Timur Sdn Bhd's project for Kg Banjar - Lot 1626 noted 10 journal entries where a total of MYR255k "debt" was transferred from Mutiara Intra Timur Sdn Bhd's account ledger and expensed as CMSB's "Project Cost" for FELCRA project involving the construction of 770 units.
- The journal entries were highly questionable as eight (8) out of the 10 journal entries and cheque number details were consecutive numbers as illustrated below.

YE	Date	Acc No.	Acc Name	Doc No	Description	Double entry account	Debit	Credit
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000152	Kg Banjar - Lot 1626 - MBB439202	Felcra - 710 units - Other cost	-	50,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000153	Kg Banjar - Lot 1626 - MBB439203	Felcra - 710 units - Other cost	-	50,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000154	Kg Banjar - Lot 1626 - MBB439209	Felcra - 710 units - Other cost	-	5,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000155	Kg Banjar - Lot 1626 - MBB380799	Felcra - 710 units - Other cost	-	20,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000156	Kg Banjar - Lot 1626 - MBB380798	Felcra - 710 units - Other cost	-	50,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000157	Kg Banjar - Lot 1626 - MBB380796	Felcra - 710 units - Other cost	-	50,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000158	Kg Banjar - Lot 1626 - MBB439240	Felcra - 710 units - Other cost	-	5,000.00
2016	01-05-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000159	Kg Banjar - Lot 1626 - MBB439210	Felcra - 710 units - Other cost	-	25,000.00
2016	16-06-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	JV 00000295	Balai Police Project - MBB439264	Felcra - 710 units - Other cost	-	5,000.00
2016	09-09-2015	3000-M0066	Mutiara - Kg Banjar - Lot 1626	MBB4396	Balai Police Project - MBB439296	Felcra - 710 units - Other cost	-	15,000.00

Consecutive Numbers

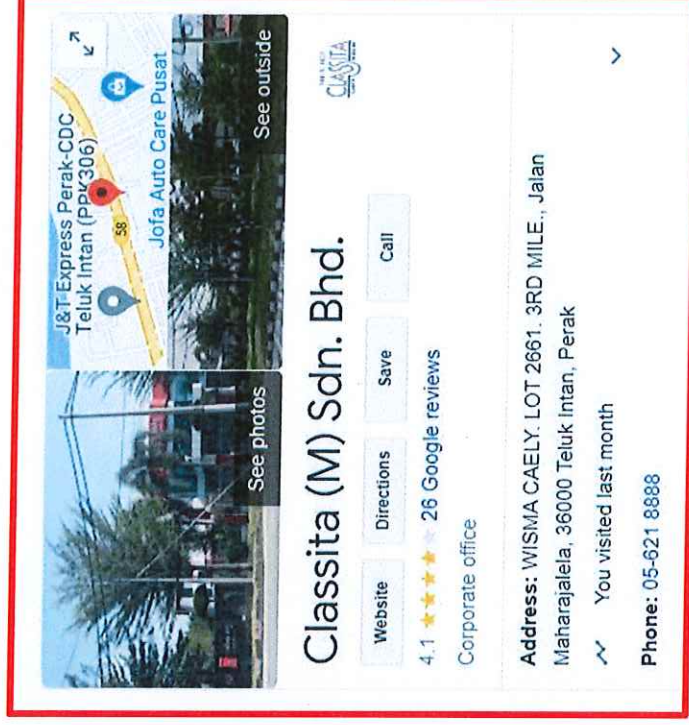
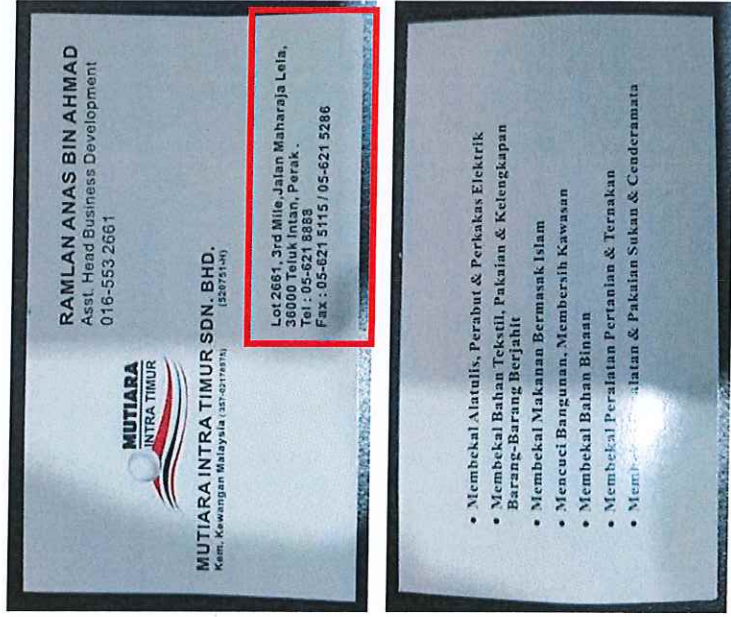
**Ramlan Anas bin Ahmad's name card for Mutiara Intra
Timur Sdn Bhd found in Caely's office**

Additional preliminary findings & observations

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4. Ramlan Anas bin Ahmad's name card for Mutiara Intra Timur Sdn Bhd found in Caely's office

- Our search of the Head of Development's room at Caely's office noted a Mutiara Intra Timur Sdn Bhd's name card belonging to Ramlan Anas bin Ahmad (i.e. former Project Manager).
- The name card indicated that Ramlan Anas bin Ahmad held the position of "Asst. Head Business Development" of Mutiara Intra Timur Sdn Bhd
- The name card also indicated that the contact details (i.e. address and contact number) belongs to Caely.



**Key points from our
interview with Mr Choo and
Hamdan**