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Prime Minister Datuk Seri Anwar Ibrahim launching the iPayment system at the Finance Ministry's monthly assembly in Putrajaya. NSTP PIC BY AIZUDDIN SAAD

CIVIL SERVICE REFORMS

'CABINET TO DECIDE ON STREAMLINING AGENCIES'

PM: Proposals will be put forward before submission to chief secretary to the govt

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PRIME Minister Datuk Seri Anwar Ibrahim says a proposal to streamline several government agencies will be tabled at an upcoming cabinet meeting.

He said a final decision would be made following discussions at the cabinet level, as former Treasury secretary-general Datuk Seri Asri Hamidop had been tasked with providing options for the streamlining of certain government agencies.

"I have assigned (Asri) to create proposals for streamlining certain agencies before submitting them to the chief secretary to the government.

"I will make a decision once it is presented at the cabinet meeting in the near future," he said at the Finance Ministry's monthly assembly.

Last September, Anwar announced the establishment of the Secretariat for the Rationalisation Study of Federal Statutory Bodies to address overlapping functions and uncontrolled spending.

He said the secretariat, which will be administered by the Finance Ministry, had received cabinet approval and would begin its duties immediately as part of large-scale civil service reforms.

Following that, then-chief secretary to the government Tan Sri Shamsul Azri Abu Bakar announced that Asri was appointed to head the secretariat.

Yesterday, Anwar also said that no company could be established under any government agency without approval from the highest level.

He said the decision was taken following losses made by some companies under government agencies.

"It is necessary, we must do it because it embodies institutional reform," he said.

Anwar, however, did not elaborate, nor did he explain what he meant by the "highest level".

In an immediate response, economists and an anti-graft group welcomed the decision.

Economic expert Professor Emeritus Dr Barjotai Bardai said all relevant agencies should implement the decision, as the requirement promotes good corporate governance in establishing new companies.

If the government wants to impose strict approval requirements, board members must also provide written approval when establishing a new company, he told the *New Straits Times*.

Meanwhile, Edmund Terence Gomez, who has written books and papers on government-linked

companies, said the decision would help prevent company directors and management from indiscriminately setting up companies.

However, the political economy professor at Universiti Malaya urged the government to ensure transparency in the establishment of new companies under government agencies, stressing that they should be formed only when necessary.

"If justified, a minister can approve them, but Parliament should be informed. A press statement should be issued when a new GLC is established to ensure public disclosure and prevent abuse of power," said Gomez.

He added that despite the announcement, the core problem surrounding GLCs remains the lack of checks and balances, as decision-making still revolves around the prime minister and the cabinet.

As such, he said, the government needed to clarify what Anwar meant by the "highest level".

The Centre to Combat Corruption and Cronyism (C4 Centre) said the initiative should be implemented with other measures that provide accountability, checks and balances, audits and explicit qualification criteria before new companies can be formed.

Its chief executive officer, Pushpan Murugiah, said such measures would prevent leakages and wastage as shell companies are often used to move funds illicitly while newly incorporated companies with no credentials also receive government contracts.