



PRESS STATEMENT FROM CHAIRMAN OF THE HUMAN RESOURCES DEVELOPMENT FUND, DATO' NOOR FARIDA

Kuala Lumpur, 22 January 2019 – The recently appointed Chairman of the Human Resources Development Fund (“HRDF”), Dato’ Noor Farida, issued the following statement to the press on the commitment of the Fund’s new administration towards sustained governance and accountability.

In June 2018, the Minister of Human Resources formed a five-member Governance Oversight Committee (“GOC”) to review and investigate allegations that RM300 million had been misappropriated under the previous HRDF administration.

The GOC completed its investigations in October 2018 and the report of its findings and recommendations were published in its entirety online on HRDF website (www.hrdf.com.my).

The GOC identified weaknesses, cases of fraud and misuse of power by some senior management staff. These were highlighted in a confidential report to the Minister. It also made several recommendations on governance, compliance and integrity.

To implement these recommendations and to assist in investigations by various law enforcement agencies, the HRDF set up an ad-hoc Compliance and Governance Unit in December 2018.

The HRDF has also sought and received the support of the Malaysian Anti-Corruption Commission (“MACC”) into implementing rules, regulations and procedures to prevent any further misuse or abuse of employers’ money. MACC has agreed to second one of its officers to HRDF to beef up the unit and to expedite this process.

The HRDF administration has proceeded to take action against wrongdoers by filing reports to various law enforcement agencies including the MACC and police on many irregularities. The HRDF has also filed civil proceedings to recover monies that were fraudulently claimed.

Top of the list of the GOC’s recommendations was to stop the segregation of 30 per cent of employers’ human resources development (“HRD”) levy towards the Consolidated Fund which was set aside for special projects. This was made effective from 1 November 2018.

No funds have since been allocated or spent on special projects.

This has not gone down well with certain quarters including training providers, training institutions and trainers. Many claim their income has been affected by this move to do away with the Consolidated Fund. But the HRDF supported the GOC’s stance that at all times, the interests of the employers must take precedence in the allocation of training funds.

On 1 January 2019, I was appointed to fill the vacant position of HRDF Chairman by Prime Minister Tun Dr Mahathir bin Mohamad. On behalf of the HRDF board of directors, I want to reiterate that the board is fully supportive of the actions being taken against the wrongdoers by the new HRDF administration.

However, we have been hearing anonymous allegations against the new administration on the social media, which needs to be investigated. The culture of *surat layang* or poison pen letters has to cease if we want to be seen and perceived as an organisation which practises the highest standards of governance.

As such, reports have been made to the Police, the Malaysian Communications and Multimedia Commission, etc.

Nevertheless, the HRDF board will take any genuine complaint or allegation seriously. To this end, I have decided to look into them personally and urge those who have any complaint or allegation to email me directly so that I can initiate an (independent) investigation. My email address is: anoorfarida@hrdf.com.my

In the interest of time, please send the complaints by 31 January 2019 but if any further information is forthcoming from time to time, it will certainly be investigated.

Be assured that I will conduct all investigations myself and in the same spirit of transparency and accountability practised by the GOC.

The findings will be published on the HRDF's website for public consumption.

Thank you.

Yours sincerely,

Dato' Noor Farida Mohd Ariffin
HRDF Chairman

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About the Human Resources Development Fund (HRDF) or Kumpulan Wang Pembangunan Sumber Manusia (KWPSM)

Tracing its origin to the Year 1993 as Majlis Pembangunan Sumber Manusia, the Human Resources Development Fund (HRDF) or Kumpulan Wang Pembangunan Sumber Manusia is an agency under the purview of the Ministry of Human Resources Malaysia.

Governed by the Pembangunan Sumber Manusia Berhad Act 2001 (PSMB Act 2001), HRDF was given the mandate by the Malaysian Government to catalyse the development of competent local workforce that will contribute to Malaysia's vision of becoming a high-income economy.

Since its inception, HRDF has evolved from managing a sizeable fund to becoming a one-stop-centre for providing novel human capital development solutions to its registered employers and the critical mass of Small, Medium Enterprises in Malaysia.

Additionally, HRDF continues to be steadfast in its effort towards encouraging employers covered under the PSMB Act 2001 to re-train and upgrade the skills of their local employees, apprentices and trainees in keeping with the fast-evolving global business landscape while meeting the aspirations of their respective company/companies.

More information is available at www.hrdf.com.my