

## **PAC raps 1MDB over latest unaudited accounts**

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**By Koh Jun Lin**

The finance ministry has yet to reappoint auditing firm Deloitte to audit 1MDB's latest accounts, the Public Accounts Committee (PAC) was told at its hearing today.

While not ruling out the ministry may have appointed another auditor, PAC chairperson Nur Jazlan said a government-linked company like 1MDB should have adopted good management practices by having its accounts audited promptly.

"In the two or three months after the closing date, they should be producing their accounts already. The (financial) year end is March 31 and now it is already June.

"Good practice says they should have already completed their task (auditing) by now," he told reporters at a PAC press conference today.

The finance ministry is the sole shareholder of 1MDB, via the Ministry of Finance Incorporated.

Earlier, Nur Jazlan had chaired a hearing where the PAC questioned Deloitte representatives over its audit of 1MDB's accounts for the financial year ending March 31, 2014, in which it had given 1MDB a clean bill of health.

He said during the hearing, Deloitte representatives had stood by its audit, saying that it had sufficient assets at the time of its audit to balance against its liabilities.

The seven Deloitte representatives present today included its country manager for Malaysia Tan Theng Hooi, as well as audit partner Ng Yee Hong who had signed off the accounts last year.

The firm has also expressed interest in being reappointed as 1MDB's auditor, he said.

Also PAC members had obtained information on Deloitte's auditing methodology.

Nur Jazlan disclosed that PAC had also asked the Deloitte representatives whether 1MDB needed a government guarantee to continue operations, to which the auditors opined that it did not.

Of 1MDB's RM42 billion debt, RM5.8 billion had been explicitly guaranteed by the government, while another RM3 billion is backed by a "letter of support" from the government for which there had been disputes over whether it amounted to a government guarantee for the debt.

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