

## **'MOF breaking law if 1MDB year-end audit delayed'**

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The Ministry of Finance may be liable for delaying the annual audit of the scandal-ridden investment arm 1Malaysia Development Bhd (1MDB).

Petaling Jaya Utara MP Tony Pua said it was “highly surprising” that 1MDB has not commenced its audit, which should have began two months before the end of the financial year and which ought to be completed and submitted by September.

“Given the size and complexity of the company, it is once again assured that 1MDB will be late for the submission of its financial statements to the Companies Commission.

“Clause 169(1) of the Companies Act states very clearly that a company’s audited report must be lodged with the commission within 6 months after the financial year end,” said Pua in a statement today.

“Hence the Ministry of Finance and directors of the company are wilfully flouting the law by refusing to allow (its auditor) Deloitte to commence the audit of the company, which will result in the failure by the company to submit its accounts by the 30 Sept 2015 due date,” he said.

Pua pointed out that Clause 171(1) of the Companies Act dictates five-year imprisonment or a fine of RM30,000 “if any director of a company fails to comply or to take all reasonable steps to secure compliance by the company... has by his own wilful act been the cause of any default by the company thereunder, he shall be guilty of an offence against this Act.”

At the Public Accounts Committee (PAC) hearing yesterday, it was revealed that 1MDB’s auditor Deloitte has not been reappointed to conduct the audit for the year ending 2015.

While not ruling out the ministry may have appointed another auditor, PAC chairperson Nur Jazlan said, “Good practice says they should have already completed their task (auditing) by now.”

### **'No extension please'**

Pua said the Companies Commission should not grant any extension to 1MDB “as it did in the past” alleging the delays are “purely because of 1MDB’s explicit decision to delay the audit exercise”.

“In addition, if 1MDB does indeed fail to submit their accounts by the due date, the directors of the company must face the full weight of the law.

“There should be no bias or favours granted to the directors of 1MDB under such circumstances,” said Pua.

The MP also challenged Prime Minister Najib Razak to immediately instruct Deloitte to commence the audit “to protect the reputation of the Finance Ministry and to uphold good corporate governance and financial integrity in 1MDB”.

After all, he said, the PM had often used the audit firm’s name to justify 1MDB’s purported good standing.

Meanwhile in response, 1MDB president and group executive director Arul Kanda responded denying that it had refused to allow Deloitte to begin its annual audit.

However he did not confirm if Deloitte will be performing the audit and when, only explaining they were focusing efforts on National Audit Department’s probe instead.

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