

'1MDB using delay tactics to buy time'

MalaysiaKini.com

Jun 17, 2015

YOURSAY 'So Deloitte has no resources to carry out an audit on 1MDB?'

'Deloitte busy with Edra, so couldn't audit 1MDB'

Mushiro: This is the most stupid of excuses by Finance Minister II Ahmad Husni Hanadzlah.

1MDB is a RM42 billion concern and its subsidiary, Edra Global Energy, is a small part of it and yet Husni said international audit firm Deloitte is unable to begin its audit of 1MDB's accounts as it was focusing on auditing Edra.

For the Public Accounts Committee (PAC) to say that this is not a deal-killer is suspect.

Donplaypuks: Auditors know well in advance about a group's year-end audit, and will plan for the holding and subsidiary companies' audit way in advance.

Therefore, Deloitte's staff deployment would have been determined for the 1MDB audit. If the audit was delayed, it was because Deloitte received no instruction from 1MDB's CEO.

They were hoping to cannibalise 1MDB and then wind it up so that an audit would not be necessary.

Datuk Abdul Kadir Jasin: Maybe auditing Edra first is not a bad idea. Much of 1MDB's assets and trading activities are in Edra.

Auditors should also look into the pay packages of Edra executives. I am told they are paid millions of ringgit a year and enjoy all kinds of bonuses and protection clauses.

I may be wrong but I am told that one executive is paid a salary in excess of RM2 million annually. Their packages sound like those of American companies that went bankrupt due to bad management and fraud.

It appears that they are even protected and rewarded should Edra undergo changes in shareholding. Since we have no access to Edra/1MDB detailed audited accounts, we can only ask and speculate.

Vking: Why did 1MDB pay a lot to buy power plants from the independent power producers (IPPs)? There is always demand for power by Tenaga Nasional Berhad (TNB).

That means the IPPs has a ready market, and an owner of power plants is sure of earning a handsome income by selling power to the government.

Why did 1MDB pay above market price for a second-hand IPP? It is because the 'above market price' is based on the future earnings of the original owner from his power plant if he keeps it.

SMC77: Vking has a good try defending 1MDB, but he can only fool non-banking folks in the rural village.

Let me put on the fact here for the layperson - to value IPPs, the most logical way is to base it on the cash flow generated from the remaining years of the concession.

For example, if the concession is left with five years, you only take into account how much cash flow you generated in the next five years. No bulls**t on what TNB would pay to buy electricity and hence justify the higher valuation.

Don't forget the fact that there is oversupply of electricity in our country and the argument of TNB will rush to buy electricity from 1MDB does not stand.

Husni is confirmed talking rubbish. So Deloitte has no resources to carry out an audit on 1MDB?

Deloitte should come out to rebut this to protect its reputation or else the whole world will assume that Deloitte does not have resources to carry out its tasks.

Patriot1: Indeed, Deloitte's contract should be terminated. 1MDB's audit should be the priority because the whole country wants to know the state of affairs of 1MDB.

Edra is not going to be listed as nobody will want its shares unless the government arm-twists local institutional investors or guarantee returns to investors.

On the other hand, 1MDB is the focal point of all attention and now we are told they are too busy auditing a subsidiary. Something is very, very wrong.

Caripasal: My previous prediction that Deloitte may refuse to sign off the audit report is likely to be true.

If a big international auditor like Deloitte fails to carry out the task, what make the auditor-general able of auditing the account?

The Finance Ministry and 1MDB are both buying time, waiting for new bailout money before they present the 'new' account to the public.

Whatsup: Utter rubbish. Dare to lie blatantly using such lame excuse,

Husni, if Deloitte such a small company that it can only audit one company at a time, drop them now.

It is mind-boggling that he even dares to give such a ridiculous excuse.

Kit P: Deloitte is one of the world's largest auditing firms. To say that they lack resources to audit two companies at the same time is nonsense.

If Deloitte concurs with this claim by keeping silent, it will be doing irreparable damage to its reputation.

Kuasa Rakyat: Amazing! Husni really believes that the rakyat believes what he says?

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source : <http://www.malysiakini.com/news/302101>