

PAC boss: Arul, Shahrol should be more worried

MalaysiaKini.com

Jun 17, 2015

By Koh Jun Lin

The testimonies of 1MDB's auditors to the Public Accounts Committee (PAC) has armed it with new information to question the company's current and former bosses, said PAC chairperson Nur Jazlan Mohamed.

He said this in defending PAC's decision to call 1MDB president Arul Kanda and former CEO Shahrol Ibrahim Halmi to testify in August, when asked if this would give them too much time.

"I would say I am giving them good time to prepare because we now have more information. If we called them earlier, we wouldn't have the information we got from the auditors today.

"Now that we have more information from Deloitte and KPMG, I would tell them they should be more worried now," he told a press conference today.

Earlier, he chaired a PAC meeting where the bipartisan committee posed questions about 1MDB to KPMG representatives.

Citing the new information, Nur Jazlan also announced that Shahrol and Arul would testify separately to allow more time for questions.

He said Shahrul would testify first on Aug 4, while Arul the following day. The invitations have been sent to the Ministry of Finance last week, and a copy was also sent to 1MDB.

They were originally slated to testify in the same day on sometime in early August, after giving an earlier hearing date a miss.

Another PAC member Tony Pua (photo) added the decision to hear their testimonies separately was also to be fair to the duo since they served in 1MDB in different periods.

When the PAC questions one person, the other would be sitting idly in the hearing for hours, he said.

In addition, PAC also decided today to call another former 1MDB CEO Mohd Hazem Abdul Rahman to testify, which Nur Jazlan said is related to information given by KPMG. He will be called to testify on Aug 6.

The PAC would then turn its attention to 1MDB's board of directors, starting with former directors Azlan Zainol and Bakke Salleh on Aug 17, and current directors on Aug 18.

The committee has also set July 9 as the date to hear the auditor-general's preliminary

findings on its own audit on 1MDB.

KPMG heard

Meanwhile, on today's hearing with KPMG representatives, the international audit firm was represented by its managing partner Johan Idris and senior audit partner Khaw Hock Hoe.

Also present was finance ministry government investment companies division secretary Mohd Isa Hussain, representing 1MDB sole shareholder Ministry of Finance Incorporated.

The PAC was about two-and-half hours into today's hearing when it took a break to hold the press conference, before resuming the hearing for several more hours.

The questions asked revolved around issues of governance, prudence and risk management, said Nur Jazlan, as KPMG was 1MDB's auditor at a time when it had made a number of major investment.

This includes its involvement with PetroSaudi and its investments in the Cayman Islands via Brazen Sky Ltd, among others.

KPMG served as 1MDB's auditor for the financial years ending on March 31, 2010 to March 31, 2012, and had been accused of colluding to cover up suspect deals.

Nur Jazlan said KPMG had stood by its audit findings during the hearing.

To a question on how the hearing was proceeding, Pua, a staunch critic of 1MDB, told the press conference that KPMG has been cooperative.

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