

DOJ info would have impacted audit, Deloitte says
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Deloitte Malaysia said its audit of 1MDB in 2013 and 2014 would have been impacted if it had known at that time the information contained in the United States Department of Justice's (DOJ) lawsuits to seize 1MDB-linked assets.

As such, 1MDB's 2013 and 2014 financial statements, which the auditing firm signed off on March 28, 2014 and Nov 5, 2014, "should no longer be relied upon", it said in a statement.

"The complaint (filed by DOJ) contains information, which, if known at the time of the 2013 and 2014 audits of 1MDB, would have impacted the financial statements and affected the audit reports and, accordingly, those audit reports issued by Deloitte Malaysia dated March 28, 2014 and Nov 5, 2014 respectively in connection with the 2013 and 2014 financial statements of 1MDB should no longer be relied upon," Deloitte said in a statement.

This comes after 1MDB announced that Deloitte is quitting as 1MDB's auditor, making it the third audit firm to part ways with 1MDB since its inception in 2009.

Deloitte notified 1MDB of its intention to quit in February, the state investment said in a statement yesterday.

Deloitte remains 1MDB auditor until a replacement is appointed, 1MDB said.

1MDB's accounts from 2010 to 2012 were audited by KPMG, but the firm's services were terminated in December 2013.

According to the Public Accounts Committee report on 1MDB, KPMG was fired after it refused to sign off on the accounts without details of investments worth US\$2.32 billion.

KPMG signed off on the accounts after Abu Dhabi's International Petroleum Investment Company guaranteed an investment, the PAC report said.

The Wall Street Journal reported another audit firm Ernst & Young was fired in 2010 for raising similar questions.

The DOJ is seeking to seize more than US\$1 billion of assets it said were purchased using funds siphoned from 1MDB.

The 1MDB board yesterday said it is confident of no wrongdoing.

However, it is taking precautionary measures by discounting its 2013 and 2014 financial statements until the DOJ lawsuits have been dealt with in court.

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