

## **Four issues dropped, other red flags retained in 1MDB audit report, court hears**

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Despite four allegedly controversial issues being dropped from the 1MDB audit report, it retained other red flags, the Kuala Lumpur High Court heard today.

Former National Audit Department (NAD) director Saadatul Nafisah Bashir Ahmad testified this during the 1MDB audit report tampering trial of former premier Najib Abdul Razak and former 1MDB CEO Arul Kanda Kandasamy.

During cross-examination by Najib's lead defence counsel Muhammad Shafee Abdullah, seventh prosecution witness Saadatul agreed with the defence's contention on what she had testified before a parliamentary Public Accounts Committee (PAC) hearing in December 2018.

She was referring to her answers on questions raised by then PAC members on the 1MDB audit report.

During the PAC hearing, she testified on the crucial meeting of Feb 24, 2016, which led to a decision to remove four potentially controversial issues from the 1MDB audit report.

Among the four issues were 1MDB's two conflicting financial statements for 2014.

Shafee: You agree that in this answer (to the PAC), you said that the (1MDB audit) report had many red flags on 1MDB.

Saadatul: Yes.

Shafee: Nobody asked you to remove all the red flags on 1MDB, correct? I suggest that it still had red flags in the final version as nobody asked you to remove all. It was an honest report on 1MDB.

Saadatul: Yes. What we removed (are the four issues from the 1MDB report).

Shafee: You only removed (them) when there is justification (regarding the four issues). You do not simply remove?

Saadatul: Yes.

Shafee: There were still plenty of (other) red flags in the (1MDB) final report?

Saadatul: Yes.

Najib is charged with using his position to order amendments to the 1MDB audit report before it was presented to the PAC to avoid any action being taken against him.

Co-accused Arul Kanda is charged with abetting Najib in making the amendments to the report.

Both were charged under Section 23(1) of the MACC Act 2009, which specifies a jail term not exceeding 20 years, and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher.

During the cross-examination by Shafee, Saadatul also testified that nobody could force the NAD to drop or keep an issue in the 1MDB audit report.

She reiterated that the decision whether to drop an issue from the report or not was dependant on the NAD analysing the matter first to see if the removal of an issue is justified.

Shafee: You agree that nobody can push NAD to do an analysis if there is no justification. Nobody can push you to amend?

Saadatul: Correct.

Meanwhile during proceedings this afternoon, the court allowed the audio recording of the Feb 24, 2016, meeting to be played back.

The playback of the audio recording, which is two hours and 42 minutes long, is for the purpose of identification by NAD director Nor Salwani Muhammad, who is the fifth prosecution witness.

In previous proceedings, Nor Salwani testified that she left an audio recorder inside the pencil case of Saadatul before the witness was asked to leave the meeting room on Feb 24, 2016.

At the end of proceedings this afternoon, judge Mohamed Zaini Mazlan adjourned the hearing.

The trial will resume on Oct 12 to wrap up the playback of the remaining half an hour of the audio recording.

After the audio recording playback is completed, Nor Salwani is expected to be cross-examined by Najib's defence team.

During the playback of the recording this afternoon, Zaini allowed Shafee's application for Najib to be excused from the trial so that the accused could attend Parliament.

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