

# NAJIB 'INTIMIDATED KPMG' TO SIGN OFF ON 2013 1MDB AUDIT

Incident happened during meeting at ex-PM's house on Dec 15 in 2013, says audit firm MD

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**T**HE managing director of audit firm KPMG yesterday said he felt intimidated when Datuk Seri Najib Razak wanted auditors to sign off on 1Malaysia Development Bhd's (1MDB) 2013 accounts.

This, according to Datuk Johan Idris, happened during a meeting at the then prime minister's house in Jalan Langgak Duta here on the night of Dec 15, 2013.

The 14th prosecution witness said he felt the intimidation was aimed at getting auditors to quickly sign off on 1MDB's 2013

financial statement, which had been long delayed.

It was previously reported that KPMG auditors had refused to sign off on the financial report as they had failed to get proper information on the wealth fund's US\$2.3 billion investment in Brazen Sky Ltd, a company incorporated in the Virgin Islands by fugitive financier Low Taek Jho @ Jho Low.

Following its refusal to sign off on the accounts, KPMG was subsequently replaced by Deloitte.

Johan spoke out about the intimidation when he was re-examined by lead prosecutor Datuk Seri Gopal Sri Ram during the ongoing trial, where Najib is accused of misappropriating RM2.3 billion of 1MDB's funds.

To another question, Johan said he did not know if 1MDB funds had been siphoned off by Najib.

"I don't have personal knowl-

edge (of that)."

Sri Ram then prompted Johan to elaborate on an earlier question posed to the latter by Najib's lawyer, Wan Aizuddin Wan Mohamed, on KPMG's role in auditing 1MDB's accounts.

**Sri Ram:** It was suggested to you that for the years 2010, 2011 and 2012, KPMG acted in concert with the 1MDB management and allowed them to siphon out monies belonging to the company. You totally disagreed with it. My question is, apart from your audit fee for the professional services rendered, did KPMG receive any share of the money which was siphoned out of 1MDB?

**Johan:** None.

**Sri Ram:** Not a penny?

**Johan:** Not a penny.

Earlier, during cross-examination by Wan Aizuddin, Johan dis-



*Datuk Johan Idris*

agreed with the lawyer's suggestion that the misappropriation of 1MDB funds could have been uncovered in 2010 itself if the firm had done its audit properly.

Johan stood his ground and said the firm had done its job properly before going on to disagree that KPMG had acted in cahoots with 1MDB management by turning a blind eye to the ambiguous transactions.

The hearing is being held before High Court judge Datuk Collin Lawrence Sequerah.

