

**Najib must explain why Deloitte yet to audit 1MDB, says DAP**  
**The Malaysian Insider**  
**Jun 11, 2015**

Datuk Seri Najib Razak must explain why Putrajaya has yet to direct international auditor Deloitte to audit the accounts of 1Malaysia Development Bhd (1MDB), more two months after its financial year ended, DAP lawmaker Tony Pua said today.

He said the Finance Ministry and company directors were violating the Companies Act by "refusing to allow Deloitte" to begin auditing the debt-ridden state investment vehicle.

The Petaling Jaya Utara MP said Clause 160(1) of the Companies Act stated that a company's audited report must be lodged within six months after the financial year ends.

However, 1MDB would not likely meet the deadline, given the size and complexity of the company, as well as the fact that no dates have been set for the audit to begin, said Pua.

"In fact, under Clause 171(1), the Act dictates imprisonment for 5 years or RM30,000 'if any director of a company fails to comply or to take all reasonable steps to secure compliance by the company... has by his own wilful act been the cause of any default by the company thereunder, he shall be guilty of an offence against this Act.'

"Hence the Ministry of Finance and directors of the company are wilfully flouting the law by refusing to allow Deloitte to commence the audit of the company, which will result in the failure by the company to submit its accounts by the 30 September 2015 due date," said Pua in a statement.

The DAP publicity chief urged the Companies Commission not to grant 1MDB any extension, as it had done in the past with 1MDB's annual returns.

He said the company directors should face the law if 1MDB fails to submit its account by the due date.

"We would also call upon the prime minister to immediate demand that 1MDB allow Deloitte to carry out their audit exercise immediately to protect the reputation of the Finance Ministry and to uphold good corporate governance and financial integrity in 1MDB.

"Surely given the number of times Najib has used the good name of Deloitte to justify the financial state of 1MDB as at 31 March 2014, he would welcome the audit to be carried out to prove that 1MDB continues to remain not only a going concern, but a strong company with huge potential as at the financial year end 31 March 2015."

The Public Accounts Committee (PAC) revealed yesterday that Deloitte, which last audited 1MDB's accounts for the financial year ending March 31, 2014, had not

received instructions to start an audit this year.

PAC chairman Datuk Nur Jazlan Mohamed said an appointed auditor needed about three months complete the accounts for the financial year, and any more time than that was considered "late".

Deloitte is 1MDB's current auditor after taking over from another leading firm, KPMG.

Since its inception, 1MDB has changed auditors three times.

Nur Jazlan said the PAC will summon Deloitte's predecessor, KPMG next week as it audited 1MDB's 2011 and 2012 accounts.

The bipartisan committee will next summon 1MDB's president Arul Kanda Kandasamy and its former CEO Datuk Shahrol Azral Ibrahim Halmi in August.

Besides PAC, the Auditor-General is also looking through 1MDB's books, with a preliminary report expected to be submitted to Parliament this month. – June 11, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/najib-must-explain-why-deloitte-yet-to-audit-1mdb-says-dap>