

## **Putrajaya denies delaying audit of 1MDB accounts, says Deloitte busy with Edra's books**

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**By Eileen Ng**

Putrajaya has denied claims it was delaying auditing 1Malaysia Development Bhd's (1MDB) current financial accounts, saying that international auditor Deloitte is now busy going through the company's power arm books.

Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said Deloitte is now auditing Edra Global Energy Bhd as the power unit is due for listing soon.

"We want Deloitte to do the audit (on 1MDB). What is happening now is Deloitte is currently auditing Edra because we want to monetise it. The audit is expected to be completed in one month.

"After that they will audit the holding companies," he told Liew Chin Tong (DAP-Kluang) when winding up the debate on the 11th Malaysia Plan in Dewan Rakyat today.

He said the Auditor-General is currently going through 1MDB's books, and this was also one of the reasons why Deloitte is not auditing the state investment vehicle's financial accounts ending March 31, 2015 for now.

Parliament's Public Accounts Committee (PAC) revealed last week that Putrajaya has yet to direct Deloitte to audit 1MDB's 2015 accounts.

It last audited 1MDB's books for the financial year ending March 31, 2014.

The PAC had admitted that the delay in auditing the firm, which has chalked up RM42 billion debts in just six years of operations, will pose a "hindrance" to its ongoing probe into 1MDB's operations.

However, the embattled company's president Arul Kanda Kandasamy had dismissed claims that both the Finance Ministry and the company stopped Deloitte from auditing its accounts for the current financial year.

"The board and management of 1MDB met Deloitte as early as February 2015 to discuss commencement of an audit after the financial year-end of March 31, 2015," he had said in a statement last week.

The delay has also caught the attention of the prime minister's brother, Datuk Seri Nazir Razak, who was "perplexed" over Putrajaya's delay in auditing the company.

In a posting on photo sharing site Instagram a few days ago, the prominent banker questioned if corporate governance of the Finance Ministry's owned state investment

vehicle standards had dropped.

"I am perplexed why your March 2015 audit has not even started? How is this allowed? Has standards of GLC governance dropped so low?" the CIMB chairman posted on his Instagram account.

This is not the first time Nazir had criticised 1MDB, where his brother, Datuk Seri Najib Razak, chairs its advisory board. Najib is also the finance minister.

Criticism has been mounting over 1MDB, with heightened scrutiny on its operations following whistleblower site Sarawak Report's recent exposés, which piled pressure on Najib and prompted opposition politicians, former and current Umno leaders including long serving former prime minister Tun Dr Mahathir Mohamad and anti-graft bodies to demand a thorough investigation into the fund.

The Auditor-General's preliminary report expected to be submitted to the Parliament this month, while PAC started its investigation into the company last month. – June 15, 2015.

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