

Auditor-General Hands PAC Preliminary Report On 1MDB
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KUALA LUMPUR, July 9 (Bernama) -- Auditor-General Tan Sri Ambrin Buang today presented a preliminary report on 1Malaysia Development Bhd (1MDB) to the Public Accounts Committee, at Parliament House.

The report, much-awaited by many, was handed over to the PAC, which was led by its chairman Datuk Nur Jazlan Mohamed, at about 10.30 am. The PAC is expected to study the report at a session that has been scheduled up to 4 pm.

Media photographers and cameramen were allowed to take photographs and make visual recordings before the PAC went into session.

Prime Minister Datuk Seri Najib Tun Razak had instructed the auditor-general on March 4 to vet the accounts of 1MDB and said then he hoped that the outcome of the auditor-general's findings would put to rest speculation about its activities.

The PAC initiated its own investigation into the government investment company on May 19, after having decided to do so at a special meeting on April 30.

At a news conference later, Nur Jazlan said the PAC asked 1MDB to hand over documents sought by the auditor-general to complete the audit.

He said the documents included bank statements and agreement papers which were considered crucial for the ongoing audit.

"We ask the 1MDB management to hand over all the documents requested, bank statements, agreements. The AG (auditor-general) has yet to get good cooperation (from 1MDB).

"They (1MDB) have submitted (the documents) but it's not complete yet. Some documents may be crucial to complete the audit report," he said.

Nur Jazlan said that to ensure that 1MDB handed over the requested documents, the PAC had referred the matter to the Ministry of Finance for further action.

"1MDB is a company wholly owned by the government under the Ministry of Finance ... surely the MOF will offer full cooperation," he said.

Asked whether the audit process took into account the allegation published last week in The Wall Street Journal that 1MDB funds had been channelled into the personal bank accounts of Prime Minister Datuk Seri Najib Tun Razak, Nur Jazlan replied: "No".

He said the auditor-general had taken three months for the interim audit process, from

March 10 to June 15.

"The recent developments are not in the report," he said, and denied that there was an overlap in the investigations carried out by the PAC and the Special Task Force on the 1MDB issue.

Nur Jazlan said the PAC did not wish to intervene in the investigation being carried out by the special task force and would wait for the complete report and information to be handed to it.

Last Friday, The Wall Street Journal (WSJ) published an article alleging that 1MDB funds were channelled to the personal bank accounts of Prime Minister Datuk Seri Najib Tun Razak.

On the same day, the Prime Minister's Office dismissed the WSJ report and labelled it a political sabotage to topple a democratically elected prime minister.

1MDB also said that it had never transferred funds to Najib.

Yesterday, the prime minister initiated legal action against WSJ over the allegation.

On Najib's behalf, Messrs Hafarizam Wan & Aisha Mubarak sent a letter to Dow Jones, the publisher of WSJ, seeking confirmation of its position on the allegations in the articles which appeared on July 2 and 6.

On Tuesday, the special task force led by Attorney-General Tan Sri Abdul Gani Patail; Bank Negara Governor Tan Sri Zeti Akhtar Aziz; Inspector-General of Police Tan Sri Khalid Abu Bakar and Malaysian Anti-Corruption Commission chief commissioner Tan Sri Abu Kassim Mohamed said it had issued an order to freeze six bank accounts believed to be associated with the case.

Yesterday, the police raided the 1MDB head office and took possession of several documents and equipment for investigation.

The 1MDB interim audit report prepared by the auditor-general focuses on four components, namely group assets; cash flow; guarantees and loans as well as statements of accounts.

The scope of the audit covered 1MDB and its subsidiaries based on the statements of accounts from 2009 to 2014, the chronology of events in the establishment of 1MDB and the management structure.

The National Audit Department inspected the 1MDB documents, documents from audit firms Ernst & Young, KPMG and Deloitte as well as from the Ministry of Finance.

Interviews were held with the majority of the board of governors and the old and new

management of 1MDB.

It also analysed the 1MDB investments, such as PetroSaudi.

Nur Jazlan said the audit of the investments in the real estate and manpower sectors was ongoing and would be contained in the final report which was expected to be completed at year-end.

He said the interim report prepared by the National Audit Department was very transparent and contained information necessary for the hearing with 1MDB CEO Arul Kanda Kandasamy and former CEO Datuk Shahrul Ibrahim Halmi next month.

"On the whole, we are very satisfied with the audit, which was most comprehensive and transparent," he said.

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