

**English Translation of Bernama Interview Transcript with PAC Chairman Datuk Hasan Arifin  
Bernama  
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KUALA LUMPUR, April 8 (Bernama) -- Following is the English translation of the Bahasa Malaysia transcript of the Bernama interview with Public Accounts Committee (PAC) chairman Datuk Hasan Arifin:

1. Can Datuk share what happened during the 1MDB proceedings?

The 1MDB proceedings differed from the usual PAC process. Going by procedure, the National Audit Department will table the Report of the Auditor-General in the Dewan Rakyat. The PAC will receive a copy of the report and will examine issues with with the 3P elements, namely 'pembaziran' (wastage), 'penyalahgunaan kuasa' (abuse of power) and 'pemborosan' (leakages) in the government ministries, departments and agencies as well as government-linked companies (GLCs).

However, in the 1MDB proceedings and investigation, the PAC took the pre-emptive measure. And, that's its advantage, as the PAC is not subject to any directive, including from the government, to undertake an investigation. In other words, we are free to undertake an investigation. Although 1MDB was not mentioned in the Report of the Auditor-General, the PAC took the initiative to undertake an investigation in the interests of the people, nation and as a whole.

The Cabinet instructed the National Audit Department to conduct a thorough audit of 1MDB, not just in terms of its finances but also operations and governance, and submit it to the PAC. However, the PAC did not wait for the report of the National Audit Department. Instead, it conducted its own proceedings from May 19 (last year) by calling up all directly responsible for 1MDB, including the Ministry of Finance as a shareholder in the company.

In this case, the Cabinet instructed the National Audit Department to scrutinise the 1MDB financial statements and submit the findings to the PAC. The PAC then began its proceedings on 19 May 2015, and we called up witnesses and requested additional documents to complete the report for tabling in Parliament.

More important, the statement of every witness called up by the PAC also assisted the National Audit Department to complete its report before the 1MDB Full Audit Report by the National Audit Department was presented to the PAC on March 4. As such, there was a check and balance with regard to that report.

The 1MDB Governance Management Control Report of the PAC tabled in the Dewan Rakyat on April 7 was prepared by the PAC Secretariat based on facts and information in the 1MDB Full Audit Report of the National Audit Department and the statements from witnesses obtained during the 1MDB proceedings.

2. Can you list for us who has been found responsible or culpable, or who are the individuals who should be further investigated and at which stage you identified them to be referred to?

The Committee does not serve to identify who is at fault, but to only present what we found.

The following is the summary of conclusions from the report:

I. There is no evidence to suggest there was criminal misconduct related to misappropriation of funds or investment transactions or any 1MDB activities leading to illegal activities. In particular, the PAC did not find any evidence to indicate any wrongdoing or abuse of power by the Prime Minister in relation to 1MDB.

II. PAC also found that the RM42 billion of 1MDB's debts were not 'lost' as alleged by various parties, as all have been accounted for, and no payment was made from 1MDB to the Prime Minister's personal account.

III. PAC, however, identified several instances where the 1MDB management failed to comply with proper governance processes. This includes not carrying out specific instructions by the Board of Directors (BOD), making decisions before receiving full approval from the BOD, and failing to be transparent with the BOD. To that end, specific recommendations were also stated in the report where we believe the relevant authorities will evaluate and take action, if necessary.

3. Is there a mechanism for any individual to appeal against the fact-finding produced by PAC, such as through the courts or a judicial review?

Given that the PAC does not issue penalties, there is no need for appeals. The jurisdiction of the PAC is to verify fiduciary compliance and to voice out the irregularities that require further assessment or investigation from the relevant authorities.

4. Now that we have found elements of misconduct in this GLC, is there any basis for further evaluation of other GLCs?

To provide a more accurate explanation, the PAC findings were not geared towards misconduct, which is a pejorative or misleading term. The findings of the PAC, however, found chronic failure in following processes that have been outlined, regulations and procedures, in which the management, and not the government, should be responsible.

PAC is a body for compliance, transparency and following the processes. PAC feels that more audit operations (should be) carried out involving public or government funds that will give us the ability to identify any operation levels that need improvement or be implemented better.

5. Does the PAC only investigate transactions done, or does the PAC also investigate who gives the order to carry out the transactions, of which one is governance, and the other is a crime?

PAC proceedings involve very thorough and comprehensive review of documentation, approval, and its processes. At any time during the proceedings, if the committee feels there is a need for further investigation, we will call up the individual involved and ask for an explanation.

The PAC report to Parliament contains recommendations for further investigation. It then is at the

discretion of the relevant authorities to determine how the follow-up is done. PAC is not an executive or judicial body, but the findings will be useful to both bodies, in addition to Parliament, where it (PAC) was established. 6. Why was the Prime Minister's role not mentioned in PAC's report regarding 1MDB?

The government has always maintained its stance that the allegations made in respect of corruption, misappropriation of funds and abuse of power are false and baseless.

Over a period of 18 months, there have been various accusations and charges against the Prime Minister. Each charge was investigated by the PAC.

The PAC did not find any evidence to indicate wrongdoing or abuse of power by the Prime Minister, and the decision was made unanimously and by consensus of all members of the PAC.

7. How did PAC reach to the conclusions, and are you confident that the findings would not be doubted by the people?

The PAC made the conclusions through continuous proceedings with the individuals called up, gathering of information, obtaining information, and through a collaboration with the National Audit Department and Ministry of Finance.

With a composition of members from various parties, impartiality, and the ability to access a variety of resources, we are confident the PAC has fulfilled, even gone beyond what people expected.

We stand by these findings, with the knowledge that there is no hidden agenda and no outside influence on this report.

8. Were the investigation directives different when the PAC was chaired by Datuk Nur Jazlan Mohamed and after it was taken over by Datuk Hasan Arifin?

The PAC proceedings were conducted in accordance to the defined process, which has to be adhered to no matter who chairs the committee.

The creation of a bipartisan committee comprising representatives from both sides (government and opposition) is to ensure impartiality, integrity and accuracy.

9. How are we to believe the findings of the PAC?

The PAC is a standing committee of the Dewan Rakyat. PAC is a multi-party committee and is independent from the government. It only answers to the Parliament, and it therefore directly answers to the people.

Please refer to the PAC report and I am sure you will be able to see the precision in its scope, the professionalism of its methodology, and comprehensiveness of its recommendations.

10. Why does the list of witnesses called not include the Prime Minister, the Bank Negara Governor

and Jho Low?

Call-ups to provide statements begin with the management and board of directors, and if there is a need to call outside parties to give statements, we will do so, but in this case based on the conclusive facts, there was no need to go in that direction.

11. Does the outcome represent a consensus of the committee and were there objections from among the committee members over the report?

Although there were objections, there were valid reasons, and it is important to state that the committee comprised Members of Parliament from both sides. Therefore, this PAC report is based on a unanimous consensus after debates were held to find a common ground.

The PAC is a body which does not side with anyone and seeks the truth with the focus of providing the truth to the people through Parliament.

12. Since the PAC is a bi-partisan committee of lawmakers from both sides, was there difficulty in reaching a unanimous decision on the findings of the inquiry?

The non-partisan nature of the committee, the ability to meet without the presence of the media, members of the public and government officials, and access to unlimited information through Parliament's many resources, enabled it to reach conclusions which were balanced, accurate and fair. True, there was debate and protests over several issues, but we finally arrived at the conclusions as shown in this PAC report.

13. Who should the PAC answer to?

The PAC is a committee selected by the Dewan Rakyat. The membership of the PAC represents various national legislative bodies. The membership is a cross-section of parties, with five members from opposition parties and eight backbenchers.

As a Parliamentary body and not a governmental one, this committee can conduct an independent investigation without any interference and obstacles or being partisan. It only answers to Parliament, therefore to the people.

We can confirm the integrity and neutrality throughout the proceedings of the PAC, and there were no instances when the PAC was disturbed or instructed by any outsiders.

14. Who selected the members and chairman of the PAC?

To maintain the integrity, balance, cross-balance of the political parties and to be bi-partisan, a tight process was created.

The chairman (from backbenchers) and deputy (from the opposition) were appointed through a motion in Parliament by the Prime Minister which will be debated in the Dewan Rakyat and motion will be carried by a majority vote in the Dewan. Conventionally, the chairman comes from the

backbenchers and the deputy from the opposition.

Nobody can appoint or sack a PAC member as it must be done collectively by MPs who represent the people to seek out facts and the truth without favouring anyone.

15. What are the powers of the PAC?

The Standing Orders of the Dewan Rakyat created the PAC and its powers.

The Standing Orders gave the PAC the powers to investigate:

- i. Federal accounts and the use of funds passed by Parliament for public spending
- ii. Any accounts of the public authorities or any other bodies which administer public funds which were brought before the Dewan Rakyat.
- iii. The Auditor-General's report which is tabled by the Auditor-General in the Dewan Rakyat, in line with Article 107 of the Federal Constitution
- iv. Other issues deemed necessary to be looked into by the PAC or referred to the PAC by the Dewan Rakyat.

It is important to state that the PAC is not an executive body, but the PAC is an independent body and not influenced by anyone in the search for truth to present facts to the people through Parliament.

16. Why was there a delay in presenting the report?

The PAC report must be detailed. It would not be right if the PAC announced an immature outcome of investigations without having access to whatever latest information from as many sources as possible.

There were claims that the changes in the membership of PAC also changed the direction of the proceedings, but these claims are not true. If you read the PAC report now, nothing was overlooked.

17. Has this report been checked and verified by independent bodies outside Malaysia or outside the influence of the government?

This PAC model has been tested and confirmed to be successful, and it is similar to the models in the Commonwealth nations. It is a respected body and a process which has long existed in democratic countries including the United Kingdom, New Zealand and South Africa, to name a few countries. It is an important platform for government accountability and it is practised by the international community.

The PAC has been proven to be a body with the experience to conduct detailed investigations, often to reach difficult conclusions. This proves that the PAC members are free from any interference, biasness or pressure from outside parties.

The task of the PAC is to prepare a comprehensive report on the governance of a company, body or government department. This has been successfully achieved and in the case of 1MDB, the PAC also submitted detailed recommendations to the government to consider and implement.

18. Did the PAC collaborate with governments of the United States, Switzerland and Australia in the investigation into 1MDB?

The powers of the PAC is to conduct a detailed assessment of 1MDB, based on the report and proceedings of the Audit Department. So far, no outside body from outside the country has contacted the PAC on 1MDB or was there a need to contact them.

19. Since the investigations have been completed and there has been no wrongdoing by the Prime Minister and the government, will legal action be taken against any party for spreading allegations about 1MDB?

The PAC is not the right body for you to ask that question. We can only comment on the PAC report and the outcome of the investigation. However, we have made recommendations for further action. It is up to the relevant authorities to decide the next action to take.

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