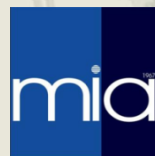




Regulatory Changes: The Key Driver for Merger & Affiliation

Merger & Affiliation Seminars 2012

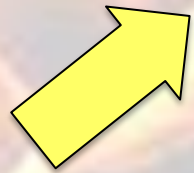
Alor Setar, 22 May 2012



MALAYSIAN INSTITUTE OF ACCOUNTANTS



No difference on the local front



Practice Review



Audit Oversight Board

Practice Review

- The PR programme is conducted pursuant to the By-Law Part II Section 550: Quality Assurance & Practice Review
- Effective from 1 Jan 2003
- Apply to all audit firms
- Inspections are randomly selected.

Audit Oversight Board

- Establishment of the AOB as a means to strengthen the independent oversight of auditors
- Effective 1 April 2010
- Applicable to all auditors of Public Interest Entities (PIEs) only
- Inspections are risk-based.

Practice Review / AOB's Inspection Findings

Practice Review 2011

Type	Results	% (as at June 2011)
1	Satisfactory (Type 1)	8.14%
2	Assurance to be provided (Type 2)	44.27%
3	Follow-up review (Type 3)	47.59%

- No audit planning memorandum
- Lack of audit documentation
- Insufficient risk management measures (no bank confirmation, no management representation letters, no attendance at inventory count, etc)
- No policies & procedures for independence requirements
- Insufficient assessment of going concern, etc

AOB Inspection Findings in 2010 & 2011

Year	No. AF inspected	Final Inspection report	Remediation plan
2010	6	2	-
2011	17	16	13
Total	23	18	13

- Breach of partner rotation
- Self-review threat
- Audit work programme / not updated
- No attendance of training critical for the performance of PIEs audits
- No policies and procedures for consultation
- No monitoring of firm's system of QC

New Borang C for Renewal of Audit Licence

1. Spouse information
2. Information of Audit Firms that have been registered with AOB
3. Compliance with regulatory requirements, eg. Companies Act 1965, Capital Market and Securities Act 2007, etc.
4. Participation in Directorship, Non-Executive Director or Audit Committee
5. Practice Review results
6. AOB's inspection results

Additional Requirements

**BORANG C
AKTA SYARIKAT 1965
[SEKSYEN 8(5)]**

PERMOHONAN UNTUK PEMBAHARUAN KELULUSAN SEBAGAI;

	JURUAUDIT
	PENYELESAI SYARIKAT

(sila ✓ di petak yang berkaitan)

Permohonan adalah dibuat untuk pembaharuan kelulusan sebagai juruaudit dan/atau penyelesaian syarikat di bawah Akta Syarikat 1965 dan keterangan-keterangan berikut diberi berkenaan dengannya:-

1. MAKLUMAT PERIBADI

1.1 Nama penuh:
.....
.....

1.2 No. Kad Pengenalan (baru):
.....

1.3 Alamat:

Alamat Kediaman	Alamat Surat Menyurat

1.4 Maklumat Pasangan

Bil	Nama	No.Kad Pengenalan

Regulatory Changes

The key driver of Merger and Affiliation

Financial Reporting
Framework

Clarified ISAs

Tax

ISQC 1

Statutory
Requirements