

ACCOUNTANTS

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today

JULY 2003



Malaysian **ShowBiz**

What lies
behind
the scenes



Member /
Bureau of
Circulations
(Malaysia)



(Established under the
Accountants Act, 1967)

A Monthly Publication of the Malaysian Institute of Accountants

- Accountants Please Stand Up
- Merging into Strength



Malaysian Institute of Accountants
(Established under the Accountants Act, 1967)

The **Malaysian Institute of Accountants** is a statutory body set up under the Accountants Act, 1967 to regulate and develop the accountancy profession in Malaysia.

The functions of the Institute are, *inter alia* :

- To regulate the practice of the accountancy profession in Malaysia;
- To promote in any manner it thinks fit, the interests of the accountancy profession in Malaysia;
- To provide for the training and education by the Institute or any other body, of persons practising or intending to practise the profession;
- To determine the qualifications of persons for admission as members; and
- To approve, regulate and supervise the conduct of the Qualifying examination.

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A Star is Born

Akauntan Nasional is now ACCOUNTANTS TODAY

It is not every day that a team aspiration begins to take shape and becomes reality. After months of working towards the idea of changing the name of our Journal, *Akauntan Nasional*, the flagship publication of the Malaysian Institute of Accountants, the Editorial Board Committee, the Public Relations Committee and the Council members have decided to go for, *ACCOUNTANTS TODAY*.

For the last one year we have debated many aspects of this 'improvised' publication between ourselves and the secretariat, and we even received some feedback from members through the AN readership survey which was conducted last year. We addressed such issues as :

What to call the publication? Answer : *ACCOUNTANTS TODAY*.

What topics should we cover? Answer : The broader range of business and industry as well as various sectors of the economy involving accountants. But it can change in response to reader interest, complete with case studies and articles on leading practices.

Who would we invite to write articles? Answer : Knowledgeable practitioners, academics and consultants, business & economic writers.

We know from the wonderful feedback we received over the last few years on our efforts at *Accountants Today*, which topics appeal to Accountants, so we decided that *ACCOUNTANTS TODAY* should address a broader range of topics to include subjects with appeal to accountants from different backgrounds and working environments. Perhaps most important is our desire to make *ACCOUNTANTS TODAY* a publication that is non-partisan and objective.

In this month's publication, we look at a slightly different kind of business in Malaysia — Show Business. It is certainly big business in the West, but just how big is show business in Malaysia? Finding out the facts behind the scene is no easy task. Many are not willing to disclose the current state of the showbiz industry in Malaysia but we managed to compile some interesting facts and findings.

Our objective of putting this difference is to set the publication in motion by getting our readers interest to open up the magazine and later give us some feedback (letters to the editor). And we will actively pursue authors to write on subjects, which we think are pertinent. We also wish to publish articles that readers contribute. Accordingly, we welcome your offers to send us articles for consideration.

Informal surveys of readers have been encouraging. Practitioners whom we have approached to test the idea of a new publication have been overwhelmingly positive and supportive. Many people have expressed an interest in submitting articles, and we welcome your involvement. We would really appreciate your comments and suggestions on subjects to cover, potential authors or people who should be written about, stories that must be told and any other ideas we might incorporate to make the publication an interesting, applicable and practical source of information.

We invite you to enjoy our efforts in creating a community of interest around the topics we choose to cover. For those of you who wish to contribute ideas and, articles, please e-mail to editor@mia.org.my **AT**

Editor
ACCOUNTANTS TODAY

LETTERS TO THE EDITOR

A key element in the world of publishing is what readers have to say.

We want to hear from you on just about anything that appears in each issue of *ACCOUNTANTS TODAY*. Why not drop us a line now?

CONTRIBUTION OF ARTICLES

Accountants Today welcomes original and previously unpublished contributions which are of interest to accountants, executives and scholars. Manuscripts should cover domestic or international accounting developments. Lifestyle articles of interest to accountants are also welcomed.

Manuscripts should be submitted in English or Bahasa Malaysia and range from 2,500 to 5,000 words (double-spaced, typed pages). They should be submitted in hardcopy and diskette (3.5 inch) form in Microsoft Word or Lotus Wordpro. Manuscripts are subject to a review procedure and the Editor reserves the right to make amendments which may be appropriate prior to publication.

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Accountants Today is the official publication of the Malaysian Institute of Accountants (MIA) and is distributed to all members of the Institute. The views expressed in this journal are not necessarily those of the MIA or its Council. Contributions including letters to the Editor and comments on articles appearing in the journal are welcomed and should be sent to the Editor as addressed below. All materials appearing in the *Accountants Today* are copyright and cannot be reproduced in whole or in part without written permission from the Editor.

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Malaysian Institute of Accountants
(Established under the Accountants Act, 1967)

VISION AND MISSION

MIA's Vision

- To be a globally recognised and respected business partner committed to nation-building

MIA's Mission

- To develop, support and monitor quality and expertise consistent with global best practice in the accountancy profession for the interest of stakeholders

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NOTICE TO MEMBERS

Capital Market Graduate Training Scheme

THE SECURITIES COMMISSION (SC) will be launching the above scheme for the **second** time with the similar objective of building a bigger pool of graduates who are skilled in the capital market matters. The 12 months training scheme will comprise a one-month full-time formal training to be conducted by the SC at their premises, followed by 11 months of internship/attachment with the industry. In this regard, the relevant institutions and the industry practitioners are requested to assist in the implementation of this programme.

As the scheme involves on-the-job training for a target of 250 graduates during this second phase, the SC has invited the Institute's members **again** to participate in this scheme by taking in graduates into their firms for industrial attachment. For this second phase, the main players are stockbroking companies, merchant banks and **accounting firms**. Even though the one-month training provided by the SC is in the area of capital markets, the training in the audit and non-audit firms with principally audit and tax exposure is deemed acceptable under the scheme.

Following are the principal terms and conditions for interested participants :

- The trainee receives a monthly allowance of RM500 to be paid by the firm to which they are attached **including the one month training at the SC**. Firms can pay more than

the RM500 per month to attract the graduates to stay beyond the one year if they wish to do so.

- As they are trainees and not employees, EPF is not deductible on the allowance.
- Participating firms **will not** be involved in the selection process. The selection process will be conducted by the SC solely.
- The notice for termination of training would be one week from either party.
- Other terms and conditions in the appointment letter would be up to the discretion of the participating firm.
- All graduates who have successfully completed the one-year training will receive a certificate from the SC.

If you are interested in participating in this scheme, please indicate to us in writing (fax to Tarana G. Ramchand at 03-2273 1016 or call for further information at Ext. 226) **by 8 August 2003** on the number of graduates that you require and their specific disciplines. The Institute will not be able to entertain any request by member firms as to their preference since the selection will be at the SC's sole discretion.

The 12 months training will commence in October 2003 unless the SC advises otherwise.

We look forward to your support for this government-initiated project under the Ministry of Finance. **AT**

NATIONAL ACCOUNTANTS CONFERENCE '03

6 - 7 October 2003

(Monday & Tuesday)

Sunway Pyramid International Convention Centre



KLSE Updates

Amendments to the listing requirements relating to public shareholding spread

Members are hereby informed that the KLSE has issued the following :

- Amending the requirement for the minimum number of public shareholders from the current graduated scale based on issued and paid-up capital to a fixed requirement of 1,000 public shareholders holding not less than 100 shares irrespective of issued and paid-up capital as set out below :

Issued and paid-up capital of a listed company	Existing requirement	Amended requirement
RM 40 million to less than RM 60 million	750 public shareholders holding not less than 100 shares	1,000 public shareholders holding not less than 100 shares
RM 60 million to less than RM 100 million	1,000 public shareholders holding not less than 100 shares	
RM 100 million and above	1,250 public shareholders holding not less than 100 shares	

- Providing for the express discretion of the Exchange to accept a lower percentage of shareholding spread on a case-to-case basis; and
- Clarifying the discretion of the Exchange to effect suspension in the event the percentage of public shareholding in a listed company is 10 per cent or less.

Implementation

The above amendments shall take effect from **1 July 2003**.

In respect of the amended minimum number of holders requirement which may not be capable of immediate compliance by listed companies with an issued and paid-up capital of less than RM 60 million, such listed companies are given an extension of time until **30 June 2004** to comply with the same.

Practice Note No 15/2003 and Guidance Notes 10, both pertaining to Continuing Education Programme (CEP)

Pursuant to paragraph 2.08 and Rule 13.5 of the Listing Requirements for the Main Board and Second Board (LR) and Listing Requirements for the MESDAQ Market (MMLR) respectively, the Exchange has issued Practice Note No 15/2003 and Guidance Notes 10, on Continuing Education Programme (referred to herein as "PN 15" and "GN 10").

PN 15 and GN 10 (collectively referred to as the "Practice Notes") are issued in relation to paragraph 15.09 and paragraph 11 (a) of the LR and MMLR respectively which require directors of listed issuers to attend such training programmes as may be prescribed by the Exchange.

Scope & Objectives

These Practice Notes are issued to set out the details of the CEP framework. The salient features of the CEP framework that are encompassed in these Practice Notes are as follows :

- obligation of directors of listed issuers to attend CEP;
- the minimum CEP points that a director has to accumulate within a calendar year, by attending the CEP accredited activities;
- what are considered CEP accredited activities and the CEP points awarded to each type of activity;
- supporting documents that have to be kept by a director as evidence of his compliance with the CEP requirements; and
- the topics for CEP activities.

The CEP is aimed at ensuring that directors of listed issuers continuously participate in training that would serve to enhance their knowledge so as to assist them in the discharge of their duties as directors.

Implementation

The Practice Notes will take effect from **1 July 2003**.

All directors of companies listed on the KLSE are required to attend the CEP in accordance with the Practice Notes. The following directors must attend CEP in accordance with the Practice Notes with effect from the calendar year 2003 :

- Directors who have completed the Mandatory Accreditation Programme (MAP) on or before 31 December 2002; or
- Directors whose timeframes for completion of the MAP (as stipulated under paragraphs 2.1(b), (c) or (d) respectively of Practice Note No 5/2001 - Training for Directors) (referred to herein as "the Stipulated Timeframes") expire on or before 31 December 2002.

Pursuant to the Practice Notes, these directors would be required to accumulate a minimum of 24 CEP points for the calendar year 2003. However, as a transitional measure, these directors will be given up to 31 December 2004, to accumulate the said minimum of 24 CEP points for calendar year 2003. This is in addition to the

minimum of 48 CEP points that they would nevertheless be required to accumulate for the calendar year 2004 by 31 December 2004. In other words, these directors have **up to 31 December 2004** to accumulate a total minimum of **72 CEP points**.

All directors other than the directors referred to above must attend the CEP in the manner prescribed by the Practice Notes, beginning with the calendar year immediately following the year they complete the MAP or upon the expiry of the Stipulated Timeframes for their completion of the MAP, whichever is earlier.

CEP Accreditation Committee & CEP Accredited Activities

The KLSE has established a CEP Accreditation Committee comprising representatives from the KLSE group as well as industry participants. This Committee will be primarily responsible for the evaluation and accreditation of appropriate activities. A list of CEP accredited activities will be made available by the CEP Accreditation Secretariat in due course.

Please take note that the Practice Notes and a series of Questions and Answers are available for reference on the KLSE website at www.klse.com.my.

Further, for information to the public, details on CEP accredited activities will be made available on the KLSE website as stated above from time to time. A hard copy of the details will be provided to all listed issuers on a periodic basis. Additional information on the CEP accredited activities may be obtained from the CEP Accreditation Secretariat as stated below.

For further information or any enquiries on the above, kindly contact :

Queries on the said Amendments to the Listing Requirements

Listing Advisory Division
9th Floor, Kuala Lumpur Stock Exchange Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel : 03-2026 7099 Fax : 03-2732 0065

Queries on CEP accredited activities

CEP Accreditation Secretariat
6th Floor, Kuala Lumpur Stock Exchange Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel : 03-2026 7099 Fax : 03-2026 3701 **AT**

International Conference on “Quality Financial Reporting and Corporate Governance : Building Public Trust, Integrity and Accountability”

28-29 July 2003, Istana Hotel, Kuala Lumpur, Malaysia

Universiti Utara Malaysia (UUM) and Universiti Teknologi MARA (UiTM) in collaboration with the Malaysian Institute of Corporate Governance (MICG) will be organising the above international conference on 28-29 July 2003 at the Mahkota Ballroom, Istana Hotel, Kuala Lumpur.

This Conference is deemed timely and extremely appropriate to changing times of financial and corporate reporting. High quality corporate reporting that clarifies complex and multi-faceted issues — the market, environment, social, political and economic issues, besides financial performance, cash flow analysis and operations are necessary now more than ever. Four prominent keynote speakers will deliver their addresses related to the following themes :

- **Emerging Issues and Challenges Facing the Accountants and the Profession** — *Professor Ferdinand Gul, Head and Chair Professor, Department of Accountancy and Acting Director of the Accounting and Corporate Governance Centre, City University of Hong Kong*
- **Current Stock Exchange Requirements and Changes Affecting Corporate Reporting** — *Professor Christine Mallin, Professor of Finance and Director of Centre for Corporate Governance Research, University of Birmingham*
- **Building Corporate Trust – The Fu-**

ture of Corporate Reporting — *YM Datuk Raja Arshad Raja Tun Uda, Executive Chairman, Pricewaterhouse Coopers*

- **International Trends Towards Convergence and Controversies in Developing Uniform Standards for Corporate Reporting** — *Professor Shahrokh M. Saudagaran, Head, School of Accounting, Oklahoma State University*

Besides the keynote addresses, more than twenty papers will be presented by academics from local and foreign institutions of higher learning as well as practitioners. Well known personalities will moderate at the presentation sessions.

For further information and participation, please contact either :

Malaysian Institute of Corporate Governance

27A, Jalan Tun Mohd Fuad 3
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 603-77262166
e-mail : micg@po.jaring.my
Website : www.micg.net
Attn : Ms. Sarazin

School of Accountancy Universiti Utara Malaysia

06010 UUM Sintok, Kedah
Tel : 604-9283904
e-mail : padmini@uum.edu.my
Attn : Ms. Padmini Pillai **AT**

Akauntan Nasional: A Passage in Time

The journal of the Malaysian Institute of Accountants (MIA) has come a long way since the inaugural issue, then named *Berita MIA*, was first published in January 1998 as a 12-page newsletter.

To better serve MIA members and further the cause of the accountancy profession, the newsletter was replaced in September 1988 by *Akauntan Nasional*, which ‘laid to rest’ the newsletter image. Since then, *Akauntan Nasional* has undergone much improvement and is recognised as one of the most respected and widely read professional journals in the country with a present monthly circulation of 19,000.

Akauntan Nasional is now ACCOUNTANTS TODAY!

Yes, the country’s premier accountancy and business journal is now better and

brighter these days as a dynamic & stimulating accountancy business magazine.

The world of business and accountancy never stands still. We, at the Malaysian Institute of Accountants understand this better than most people. This is why we have expanded and deepened our coverage through the introduction of several new regular features starting from the July 2003 issue of our monthly members’ magazine, *ACCOUNTANTS TODAY*.

As the country’s premier accountancy and business magazine, we strive to help our readers keep up with changes — everything you need to keep abreast with local and regional events in the world of *ACCOUNTANTS TODAY!*

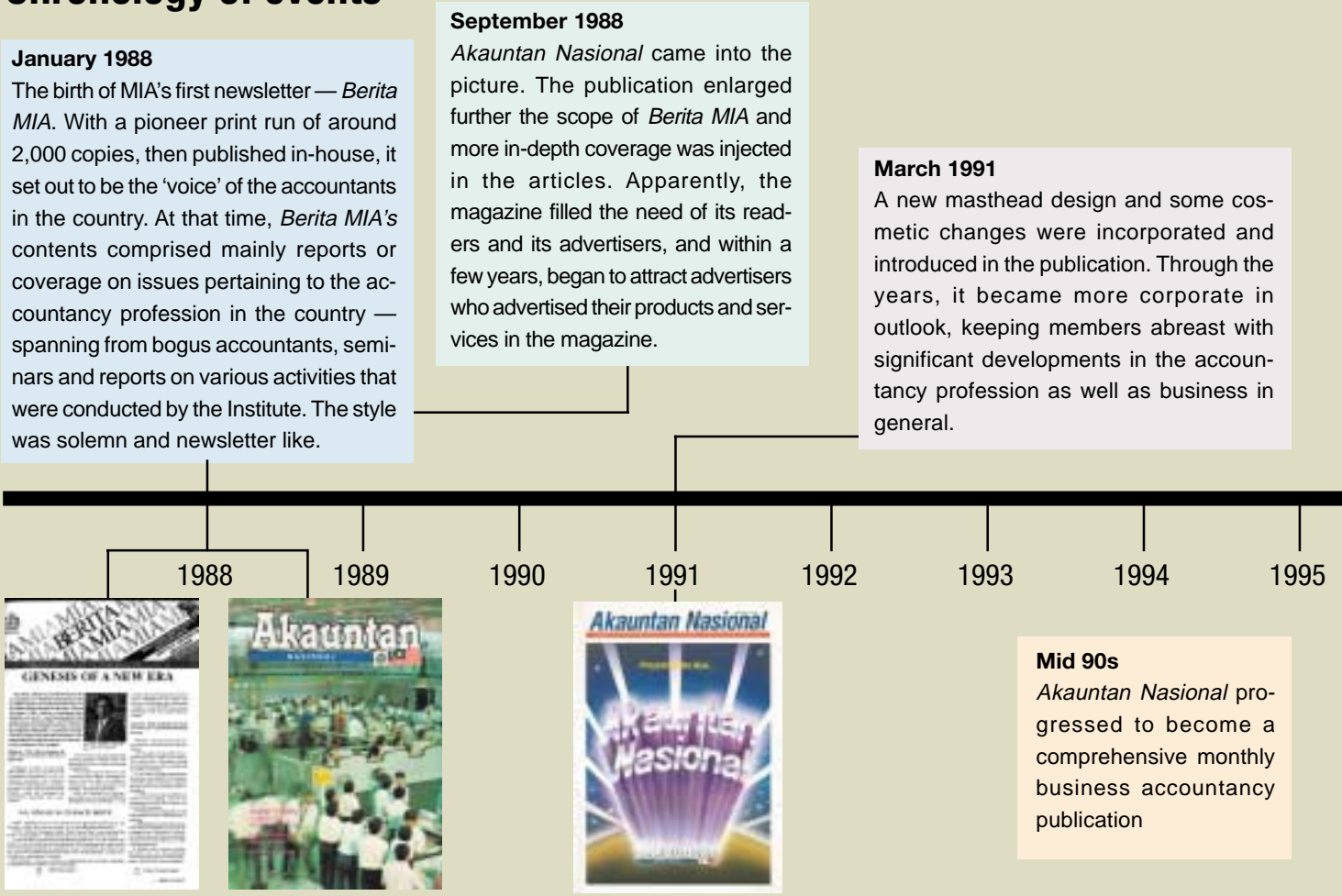
From being just a monthly newsletter in the late 80s, we have grown to become a comprehensive monthly business accountancy magazine today. A magazine of un-

beatable value packed with news, features, special reports and other thought provoking articles. Our editorial team, writers and production team comprises a blend of experienced and young enthusiastic go-getters alike. Of course, there are many others, including the members of the Malaysian Institute of Accountants who contribute extensively to the delivery of the magazine each month.

You would have noticed gradual changes to the magazine in the last few years. Besides introducing a special financial planning article in the money tree column as well as a special column on IT, we have introduced several new columns such as ‘Better Life’, ‘Travel & Leisure’ and ‘Business Watch’.

Now, as we enter our next stage, we are beefing up the magazine further. Apart from a new name and new masthead, there have been several changes to the layout.

Chronology of events



We are also going to introduce several new columns such as 'Stock Watch', 'Personality profile', 'Entrepreneur', 'Corporate' and a few other thought provoking articles.

We will not stop here. In our endeavour to keep enhancing our editorial content, we will introduce several new columnists in the coming months.

It is our commitment to give you a better read. The changes we have made are the result of your response to our readership survey. Similarly, we would like to know what you think about *ACCOUNTANTS TODAY* with its new look.

As *ACCOUNTANTS TODAY* moves forward in the years ahead, you can be assured of more new features and coverage of hot topics that shape and mould the local business scene and beyond. Stick with us. You won't be disappointed.

ACCOUNTANTS TODAY has its say

Evolution. It is a continuous process of change crucial to our very existence. We

see it everyday in the evolution of technology. The science of medicine. Clothes. Fashion. Even how we communicate.

By that same token, MIA as an Institute has undergone an evolution of sorts too. The way in which we function, think, deal with issues and uphold the Institute's principles has changed though the years. As such it is only fitting that the one communication tool to reflect who we really are today, change with the times too.

And so we go from *Akauntan Nasional* to *ACCOUNTANTS TODAY*. The very name suggests we are more contemporary, fresh in outlook, exuberant in personality, and in charge of things. The name goes the extra mile in suggesting that the content is a 'must read' if today's accountant wants to stay in the know of industry developments.

We've also gone from a look somewhat sombre and 'journal' in nature to one that is more contemporary, upbeat and 'magazine' in feel. The content too is now more varied in the range of topics it covers.

When you open an issue of *ACCOUNTANTS TODAY*, we can hope to read news on accounting, business, politics, financial planning, Institute activities, even travel and how to get more out of life!

We've even got the production process down to just 26 days — and that's definitely something to cheer about!

While recognising that change is important, we did bear in mind that whatever changes implemented took into consideration the objectives of the Institute, as well as the needs of the magazine's readers and advertisers. And yes, the cost implications were seriously weighed too.

We trust you will enjoy *ACCOUNTANTS TODAY*. We enjoyed putting it together for you. As in the past, we will continue to touch base with you on a regular basis through questionnaires so we can work towards living up to your expectations of what this magazine should be.

We wish you an interesting and informative read. **AT**

Late 90s

Akauntan Nasional became a magazine of unbeatable value packed with news, features, special reports and other thought provoking articles. This was achieved through the collective efforts of the Editorial Board committee, editorial team, writers and production team comprising of a blend of experienced and young enthusiastic go-getters alike. Of course, there have been many others, including the members of the Malaysian Institute of Accountants who contributed extensively to the delivery of the magazine each month.

2000

As it enters the new millennium and marks its 12 years of existence, *Akauntan Nasional* continues to reinvent itself as Malaysia's premier accountancy publication.

July 2003 ACCOUNTANTS TODAY

1996 1997 1998 1999 2000 2001 2002 2003



Perseverance Pays



MIA President —
Datuk Dr. Abdul
Samad Haji Alias

In a land of many opportunities like Malaysia, perseverance pays, especially if you are willing to work hard and make the necessary sacrifices along the way. In the life history of the President of the Malaysian Institute of Accountants, Datuk Dr. Abdul Samad Alias, his perseverance in pursuing higher education has indeed paid-off.

Born to a large rubber tapping family in Parit Jawa, Muar, Johor, 60 years ago, Abdul Samad's life was not exactly a bed of roses. He had to leave school after Form Five as his father could not afford his school fees. A very sad situation to be in for a young man who was, in the first place, picked by the government under the Tun Razak education scheme to attend secondary school in the big city of Johor Baru.

But did this deter his desire to improve his lot? Not at all.

Although forced to enter the job market at the tender age of 18, Abdul Samad was determined to achieve what he had set his sights on : a better quality of life through better education. This he did by burning the midnight oil studying for the Higher School Certificate while eking out a frugal living as an employee of Bank Negara Malaysia. No late nights out clubbing or partying for the young man although it was the roaring 1960s.

Encouraged by his good HSC (Higher School Certificate) results, Abdul Samad went on to obtain a diploma from the UK-based Chartered Institute of Bankers. With borrowed funds, Abdul Samad then left the country for Western Australia to study for a degree in commerce and later on for professional qualifications in chartered accountancy.

It was while working at BNM that Abdul Samad fell in love with the profession while "becoming overwhelmed by those creatures called chartered accountants." His idols then were three people who were his supervisors : Tan Sri Azman Hashim, Anthony Skelchey and Chang Sow Kong.

His stellar career in accountancy began when upon his return from Australia he found work at Perbadanan Nasional Bhd before establishing his own firm Samad & Co in 1976. Three years later Samad & Co became part of former giant Arthur Andersen & Co (AA) and there he stayed until his retirement in August 1999.

Abdul Samad was responsible for the quality of corporate reporting and was made practice director for Malaysia and Singapore in 1992 on top of his duties as AA's deputy country managing partner

since 1991.

As someone who cares deeply about people and human relationships, Abdul Samad does not confine himself within the realm of his office. He contributes to the accounting fraternity by being active in professional groupings and is especially concerned with the public image of the profession.

For example, one of the first tasks he undertook when he was appointed president of the Malaysian Association of Certified Public Accountants (now Malaysian Institute of Certified Public Accountants, MICPA) in June 1999 was to set up a committee to respond and correct misconceptions about the country's accounting regime. In particular, the accusation that auditors make accounting changes to mask the performance of listed companies.

Abdul Samad vehemently objected to the accusation and reiterated that the role of the auditors is only to express opinion on the set of accounts prepared by the company's management. Thus, when it comes to financial reporting, auditors bear little responsibility for corporate failures.

Prior to his assuming the presidency of MICPA, Abdul Samad had been involved in the enhancement of accounting standards in MICPA for a number of years and was made chairman of the Accounting and Technical Standards Committee in 1994.

Definitely not fading into obscurity after retirement, Abdul Samad set a new benchmark for the Malaysian accounting fraternity when he assumed the presidency of the Malaysian Institute of Accountants in October 2000 whilst still the president of MICPA. At MIA, Abdul Samad became the catalyst that spurred the rapid movement of the engines of change within the Institute.

He stood by the premise that the volatile changes in the business environment warrant the imminent evolution within the Institute that should strive to accommodate the changing needs of its members and the profession. Thus, the year 2001 saw the metamorphosis of MIA.

A new vision and mission statement was formulated at the Institute's Strategic

Visioning Workshop in October 2001. "To be a globally recognised and respected business partner committed to nation building" was the new vision statement of the rejuvenated and emboldened MIA.

Meanwhile, its new mission, "To develop, support and monitor quality and expertise consistent with global best prac-



As someone who cares deeply about people and human relationships, Abdul Samad does not confine himself within the realm of his office. He contributes to the accounting fraternity by being active in professional groupings and is especially concerned with the public image of the profession.

tice in the accountancy profession for the interest of stakeholders," reflected MIA's determination to play a more proactive role in steering the Malaysian accounting fraternity into the global playing field.

Under Abdul Samad's dynamic leadership, MIA produced a no-holds-barred Strategic Vision Report in November 2001 that identified and prioritised key challenges faced by the Institute. The report was a result of feedback received from extensive interviews with the Accountant-General, Auditor-General, MIA Council Members,

the Executive Director and its dedicated secretariat staff. Several strategies were developed while high-level action plans were formulated to implement these strategies. The implementation of these strategies is currently being undertaken by the existing committees and secretariat in MIA.

Abdul Samad does not delegate all his duties at MIA. He sits on a number of committees while chairing a few such as the Executive Committee, Accreditation Committee, and the Globalisation & Liberalisation Committee. He also chairs the Malaysian Accountancy Research and Education Foundation (MAREF), established for the promotion, encouragement and advancement of accountancy research and education in Malaysia.

Outside MIA, he is a board member of the Financial Reporting Foundation, Companies Commission of Malaysia and Tabung Haji. Besides that he also holds influential positions in high level entities such as the Malaysian Venture Capital Management Bhd and Malaysian Debt Ventures Bhd where he is chairman of both. At the same time, he is also a Council Member of MICPA and sits on its Executive Committee as well as chairman of its Accounting & Auditing Technical Committee.

In an outstanding career that has spanned almost three decades, Abdul Samad has also received recognition from his peers and superiors. Among them, an honorary Doctorate of Philosophy (Accountancy) from Universiti Utara Malaysia in 2001. And now, the Malaysian accounting fraternity is rejoicing that this humble man who has made a big difference has been conferred one of the highest awards in the country.

Abdul Samad was conferred the Panglima Jasa Negara award from the Seri Paduka Baginda Yang Di-Pertuan Agong, Tuanku Syed Sirajuddin Ibni Al-Marhum Tuanku Syed Putra Jamalullail in June this year. A fitting recognition for the contributions and dedication of Abdul Samad to the accountancy profession and to Malaysian society as a whole. Congratulations, Datuk Dr. Abdul Samad Alias. You have done well. Very well indeed. **AT**

Glitz and glamour, bright lights and big bucks ... show business' pretty face continues to draw many aspiring Siti Nurhalizas and Erra Faziras to take their shot at stardom. But behind the cosmetics, the local entertainment industry faces challenging times that threaten its survival.

"The many observers or critics will call this a sunset industry simply because not only in Malaysia but worldwide physical album sales have been declining year on year; share prices of entertainment stocks have declined too," says Darren Choy, managing director of EMI Music Malaysia Sdn Bhd.

Album sales worldwide have been on the decline for the past two years. According to sales tracker Nielsen SoundScan, 2001 music sales were down five per cent from the previous year, and in 2002, sales fell another 10.7 per cent.

Malaysian ShowBiz

What Lies Behind the Scenes

By Mei Chua



Variations in disclosure and inadequate guidance mean lessons still need to be learnt in the showbiz industry

On the local front, according to reports, CD and cassette sales have seen a drop of 37 per cent over the past three years due to piracy. The estimated sales for 2002 were RM126 million, down 20 per cent from the RM157 million in 2001. In 1999 alone, 203 music retailers closed down; several major recording companies such as BMG Malaysia and Universal Music have also cut off their local music division to concentrate on back catalogue sales.

Even some of the top artistes are not immune to sluggish sales. Malaysia's queen of rock Ella, who's listed in the Malaysian Book of Records for the most albums sold by a female artiste after selling more than 350,000 units of her 1994 album *Ella USA*, saw a marked drop in sales of her comeback album, *EI*, in December 1998, which sold 40,000.

In 2001, *nasyid* group Raihan's album was the top-selling at 50,000 copies, but still a far cry from the 600,000 copies sold in 1996. Thus, most local artistes earn their money not from album sales but from personal appearances, performances, tour sponsorship and product endorsements.

The film industry, too, has had its share of hits and misses (see table). While some movies make it big, there are others that lose money or barely break even. In 2001, for example, despite top-grossing films such as *Gerak Khas* (RM4.4 million) and *Lagi-lagi Senario* (RM6.33 million), overall, the year's releases made losses.

For some industry observers, today's scenario seems a far cry from the golden era of the entertainment industry, which was in the 1960s and 1970s. "The music industry was introducing new artistes and enjoying record album sales," says one observer. "The

"... most local artistes earn their money not from album sales but from personal appearances, performances, tour sponsorship and product endorsements.

Local Films that made it ...

Year	Movie	Cost	Gross
		RM'000	Collection RM'000
BIG			
2003	Gila-gila Pengantin	1,100.00	2,555.37
	Laila Isabella	1,110.00	2,253.66
2002	KL Menjerit	965.38	2,870.48
	Anak Mami The Movie	1,243.00	2,936.63
	Gerak Khas The Movie II	1,505.00	3,073.86
	Mr Cinderella	1,262.40	2,525.36
	Mami Jarum	1,355.00	2,684.30
	Sidalnya Siapa	1,100.00	2,203.57
2001	Gerak Khas	1,224.00	4,396.05
	Lagi-lagi Senario	1,576.51	6,331.41
2000	Pasrah	996.00	2,741.47
	Senario Lagi	1,309.33	4,372.80
1999	Bara	960.00	2,339.84
	Senario The Movie	700.00	4,578.86
SMALL			
2003	Mistik	1,820.00	1,918.75
	Mami Jarum Junior	1,370.00	1,399.50
2000	Soal Hati	1,267.78	1,383.13
NOT AT ALL			
2003	Iskandar	1,040.00	442.39
2002	Idola	1,167.65	958.75
	Mendam Berahi	1,826.00	214.60
	Embun	3,404.84	945.75
	Cinta 200 Ela	1,188.88	147.07
2001	Seri Dewi Malam	1,205.08	611.25
	Sara	660.28	178.08
	Getaran	848.00	849.64
	Cheritera	1,000.00	2.56
	Putih	2,210.00	392.02
	Cinta Tiada Restu	885.00	37.27
	Spinning Gasing	2,500.00	484.45
	The Deadly Disciple	1,200.00	34.81
	No Problem	1,290.00	150.00
	Kaki Bakar	533.00	3.09
2000	Mimpi Moon	1,296.00	554.62
	Anaknya Sazali	758.00	217.51
	Leftenan Adnan	1,506.78	1,075.70
	Syukur 21	3,400.00	952.57
1999	Perempuan Melayu Terakhir	1,200.00	280.49
	Nafas Cinta	1,535.00	1,029.14
	Jogho	1,200.00	67.79
	Klu	650.00	326.11
	Burung Besi	1,291.09	18.43

Source : National Film Development Corporation Malaysia (FINAS)

Malaysian singers ruled the roost in the Chinese-speaking market.”

Likewise for the film industry. “The feature film industry in the days of P. Ramlee was much stronger and more dynamic,” says a film director. “A lot of work wasn’t particularly confined to Malaysia, tapping on technology and talents from Singapore and India.”

“Movie production is more about passion than making money ... We have to finance from our own pocket, and costs of production have increased.”

Habsah Hassan, director and lyricist

In those days, the film industry was fuelled by two large production houses, Cathay Keris and Shaw Brothers, which churned out movies on a monthly basis. Before closing down in the mid-1970s, they had produced some 300 films in a period of two decades. Today, the industry is kept going mostly by independent, often small-time, producers.

Funds, or the lack thereof, is also a factor holding back the industry. “Movie production is more about passion than making money,” director and lyricist Habsah Hassan once put it. “We have to finance from our own pocket, and costs of production have increased.”

The recipe for a hit movie in Malaysia is often selling faces — using celebrities to draw in the crowds. But even so, there is no guarantee of runaway success. Habsah’s second feature film, *Soal Hati*, included celebrities such as Erra Fazira, Chef Wan and comedian Zaibo. However, the RM1.27 million romantic comedy just more than broke even at RM1.38 million.

Even internationally acclaimed local films fail to hit it big on the home front. For example, director U-Wei Saari’s drama *Kaki Bakar*, which won an award at the 17th Brussels International Independent Film Festival in 1995 and was the first Malaysian film to be shown at the Cannes Film Festival in 1995, drew a paltry RM3,000 at the local cinemas.

Consumer tastes aside, the single big-

gest threat to album and movie ticket sales is piracy and its cousins, Internet downloading and CD copying.

“The pirated product buying culture is so ingrained and rampant, it makes the legitimate business like ours look minuscule and insignificant,” Choy says. “It will be a sunset industry if the pirates continue to flourish. It will be if consumers continue to think that it’s ok to buy pirated products. It will be if the government can’t tackle this problem.”

The recent nationwide crackdown on piracy has helped to give a boost to the entertainment industry’s coffers. For example, due to the unavailability of pirated VCDs, Disney’s *Finding Nemo* movie registered RM3 million in box office sales within just 11 days of screening. This is in contrast to last year’s movie *Lilo and Stitch*, which only generated RM1.5 million in sales after six weeks of screening.

“We sincerely applaud the government’s efforts wholeheartedly; a big ‘thank you’ to them. But the point is that fighting piracy is not a two-week blitz, nor is it a two-month bombardment, but an ongoing ef-

“The pirated product buying culture is so ingrained and rampant, it makes the legitimate business like ours look minuscule and insignificant ... It will be a sunset industry if the pirates continue to flourish. It will be if consumers continue to think that it’s ok to buy pirated products. It will be if the government can’t tackle this problem.”

Darren Choy, managing director, EMI Music Malaysia Sdn Bhd

fort until the menace is controlled or better still, eradicated,” says Choy. “Five million discs confiscated in two weeks ... imagine how many were bought or sold for the past number of years!”

The problem, Choy suggests, may be more deep rooted. “What we see may be just a drop in the ocean,” he says. “We still

have over 35 CD plants that are capable of producing 500 million discs annually. Local legitimate consumption is estimated to be at 50 million. The question remains, where did the 450 million go to?”

Tougher action, such as prosecution and jail terms, are needed to solve the problem, Choy adds. “If prison sentencing and heavy fines are not imposed, then there is no deterrent for the repeat offenders. We should treat the offenders of piracy like offenders of any other crime. It’s about stealing one’s work or creation.”

The authorities are also working on bringing down the prices of original CDs, VCDs and DVDs by making discs and computer software controlled items under the Price Control act 1946.

This move is also encouraged by some industry players. “The profit margin may be lower but it will be complemented by increased sales volume,” local music composer Fauzi Marzuki has been quoted as saying. Producer and songwriter Aidit Alfian said the timing is right to impose ceiling prices because the industry is recovering and more releases, including new acts, are expected.

“This is good for the artistes as increased sales and diminishing piracy can only mean that music acts can continue to earn a living,” says producer, songwriter and singer

Mohd Faizal Maas, or Ajai. “Recording labels, however, will be hit. As such, there has to be a middle ground.”

Thus, there is hope still for the entertainment industry, and the optimists see a brighter future ahead. According to a five-year global economic forecast — *Global Entertainment and Media Outlook : 2000-2004* — published

by PricewaterhouseCoopers, the global entertainment and media industry revenues will grow at a seven per cent annual rate to near the US\$1 trillion dollar mark by 2004.

While piracy is expected to continue to cut into consumer spending, the growth of music sales in the Asia Pacific is estimated at four per cent through 2004, thanks to the combination of a healthier economy, rising CD penetration and an emerging online market.

The Asia Pacific film market is expected

such as the former Napster, Kazaa, or Morpheus; the songs that were burnt onto CDs/CDRs/CDRWs and the pirated CDs bought.

“My belief is that music will never die. We will still need to give the consumers the music they want. Maybe our business model may just change from just selling physical discs to music shops to digital delivery via the net or via the handphones.”

Ongoing efforts to discover and groom

to record their own material.

Better and more strategic marketing is another tool to develop the industry. “One of our goals for 2003 is to create the awareness among film producers in Malaysia that there is a need to think afresh about marketing their films,” said Datuk Mohd Shariff Ahmad, Director-General of FINAS, on the FINAS website. “Their perspective in marketing needs to change from the domestic to the international.” He pointed out that



“What we see may be just a drop in the ocean ... We still have over 35 CD plants that are capable of producing 500 million discs annually. Local legitimate consumption is estimated to be at 50 million. The question remains, where did the 450 million go to?”

Darren Choy, managing director, EMI Music Malaysia Sdn Bhd



to grow at seven per cent compounded annually over the next five years, reaching \$16 billion by 2004, due to theatre modernisation, the relaxation of government restrictions that will improve consumer choice and lower prices, and — as in the other regions — DVD penetration that will boost the sell-through market.

As Choy points out, the consumption of music is still very high. “Sales of physical albums may be declining but the insatiable appetite for music has never been higher,” he says. This can be seen from the thousands and millions of songs that were downloaded illegally either onto the consumers’ portable MP3 players or hard discs, via the peer-to-peer file-sharing sites

new talents help pave the way for continuity and growth of the industry. Talent searches such as Star Search and Pop Stars are the breeding ground for the Siti Nurhalizas of tomorrow. The Music Authors’ Copyright Protection Bhd’s (MACP) Music Discovery Project is another such effort to develop new talent by giving financial assistance to produce and release new albums. Last year, three hopefuls were awarded RM10,000 each

Iranian and Korean films have been well received by audiences all over because of their universal or collective themes.

Times are challenging, but innovative and strategic adaptations will ensure our country’s entertainment industry not only survives but thrives. “We will still continue to be in this business, we hope,” says Choy. We will continue to be on the cutting edge in terms of our music.” **AT**

Up Close & Personal

*Janet Khoo, one of
Malaysia's up and
coming actresses,
shares her views on
the showbiz industry*

**By Lee Lian &
Raymond Liew**

Reel-Life Success Story



She is starlet thin, her incredibly toned physique fit snugly in denim. Walking up the stairs to the first floor of Eastin Hotel, petite-framed Janet Khoo can be easily passed off as a pretty student. No agent, publicist nor hair and make-up assistant are by her side as she enters the Cigar Divan for this interview. However the chiselled, porcelain features and confident demeanour belie a different story.

A rare breed, actress and celebrity Janet Khoo has quietly and is surely paving her path to success. Last year, she prevailed over nominees like actor Hans Isaac to bag the most popular non-Malay artiste award at the *Anugerah Bintang Popular*, a local version of the Academy Awards. Her winning formula centres upon being an Oriental face in an almost all-Malay film industry — a unique selling point, which has escaped many of the same race. The plucky Penang lass, it seems, has successfully conquered what most Chinese would consider a handicap with gung-ho persistence. Her *Bahasa* is now naturally fluent, and spoken English equally so, albeit with a throaty accent. Add to these abilities a savvy mind, talent, hardworking attitude and professionalism, and the youthful 30-year-old is hot property. Her latest work, period movie *Paloh*, is scheduled to be released in July.

Set in the 1940s during the Japanese occupation, *Paloh* has some serious subject matter whilst packing shock value through veritable rape and brutal killing scenes. The historical story chronicles the life of four friends who choose to serve the Japanese Police Force as a means to survive. One of

“The movie is important for the younger generation. People nowadays are unaware of the hardship that the Chinese had to endure during that period,”

Janet Khoo

them tragically falls in love with a communist leader’s daughter “who sleeps around to obtain information for her father”. Played by Khoo, the role is plump. “This is the first time the leading lady is a Chinese. Forty per cent of the dialogue is in Chinese, making *Paloh* a Malaysian movie, not Malay.” Sugary sweet diva Siti Nurhaliza lends her voice to the theme song *Detik Waktu*.

“The movie is important for the younger generation. People nowadays are unaware of the hardship that the Chinese had to endure during that period,” expresses Khoo, whose acting experience was just as intense. “The pressure I put on myself was tremendous. We were after all spending taxpayer’s money.” The RM3 million epic is the second national effort funded by the government after the previous year’s RM3.5 million *Embun*, which failed to recoup its costs. Directed by the award-winning Adman Salleh, *Paloh*’s cast has no “big names and is made up more of theatre personalities”. “We look at it as a work of art, not a commercial set-up. There’s nothing beautiful in *Paloh*.”

To mould herself into the role of a village girl, Khoo wore no make-up and her usually glorious locks were made dishevelled. She

also spent time carrying out painstaking research at a hospital and even interviewed a rape victim to give her character, Siew Lan, emotional depth. Famed for controversial *Amok*, director Adman had additional plans. He was said to have been deliberately harsh towards Khoo, almost driving her over the edge in his quest for perfection. It was reported that the sultry siren nearly pulled out of the project. “I was treated badly. Yes, that’s the right word to use,” she says matter-of-factly. “The director was strong-willed and I was stubborn but it was all done on purpose for the better of the film.” It took the actress ten months to snap out of the trauma. Khoo maturely points out that she has no regrets, citing that the experience armed her with mental strength and made her tougher. “Life is so much about struggles anyway.”

With her foot firmly planted for nine years in the business, Khoo is constantly seeking ways to realise her potential. Her resume befits a rising star. With a gleam of passion for showbiz, young Khoo headed to Kuala Lumpur from hometown Penang once completing her education. After some initial setbacks, she was discovered by film producer Julie Dahlan and cast in the latter’s feature film *Putra*. Roles in blockbusters *Kad Cinta* and *Lurah Dendam* soon followed. The versatile artiste has also tried a hand in hosting through fashion programme *Anggun* and charity show *Titian Harapan*. Then there was glitzy *Idaman* where she played “a really bitchy role”, but endeared herself to a large fan base. Khoo is being roped in for Astro’s *Ika*, a 40-episode soap opera similar to *Idaman*. This

Janet's Sen-sibility

Khoo is very sorted out when it comes to her finances. Unlike image-driven celebrities whose mottos are spend, spend, spend, the levelheaded actress believes not in splurging but buying only when she sees a need to.

"I don't depend on brands," she says of designer clothings. As for the importance of money, Khoo believes that dollars and cents are obviously significant. "Of course I'll need money to live, have a shelter over my head and have a car to move around in." Having said that, she sings to the tune that money is only paper and cites happiness as her number one priority.

When prompted, Khoo declined to divulge her salary. "Even if I do, I'll lie to you," she quips most cheekily. "Acting can be a lucrative profession if you have the name and if you make it. It really depends on how widely accepted you are. In Malaysia there are celebrities who drive Kancils, those who take the LRT, and then there are those driving Mercedes."

Although not well versed with investments, she does find excitement in properties. "I'm a person who needs security and I see it as something good for my future." Khoo stresses that she doesn't hesitate to ask for guidance whenever she's not sure about a financial decision. Close friend Raymond Liew is someone whom she regularly turns to.

Her perception of an accountant? "Those who, when having coffee, mention digits to you," jokes Khoo. On a more serious note, she explains that it's beneficial to have an acquaintance in the accounting line. An accountant, according to her, should be someone who cares about the welfare of the client and not just treat the individual as a money making account. "An accountant is someone who helps you, someone whom you can call in the middle of the night."

Commenting on the Malaysian film industry, Khoo opines that although "not doing well, it is definitely growing, especially with the emergence of *Paloh*. Financing is necessary. Technically, to have good films, one needs a lot of money. More money means better quality."

Khoo applauds the government's decision to contribute to the local film industry. "The ministry has allocated RM12 million for the industry and is helping independent producers by giving out loans and incentives." Instead of box office clones which largely depend on big names to rake in returns, it is with much hope that the strategic move will produce well-crafted movies centred around quality scripts, acting and the like.

time round, she plays a woman obsessed with getting what she wants. "I like challenging roles, not those characters who sit around looking pretty." Comedy, she says, is not her cup of tea.

It didn't take long for coveted brands to recognise her worth. Advertisement offers poured in from Citibank, Pantene, Sifone, Oil of Olay and Ponds. For three consecutive years, the ravishing beauty was voted by FHM as one of the sexiest women in the world. "I was caught unawares really. It's not me at all but I do appreciate it. I don't work hard to be sexy," she laughs.

Indeed, Khoo is a natural. Clad in a simple black top with flowing sequins, the stylish actress has more presence than her small stature would indicate. The photography session revealed her innate ability to gel with the camera. But ask her about a future in modelling and Khoo candidly offers, "I'm too short". Meanwhile designer Hideaki Lim arrives with her couture gown specially commissioned for *Paloh's* gala premiere night. She politely excuses herself so that Lim, famous for his cyber fashion creations, can take her measurements. Minutes later, Khoo returns to the sofa and starts tucking into some delicious pastries for tea. She's clearly hungry after a very hectic day.

The fifth of seven siblings, Khoo's mother passed away when she was barely six months old. The incident left her banker father to take care of the family single-handedly. "I come from an average background. I wasn't pampered much. I did a lot of things for myself like preparing my own food, washing my own clothes. That made me a better person," explains the independent woman. Even till today, Khoo is essentially down to earth. She may be a star but above that Khoo is simply unpretentious. When one meets her, there's absolutely no glass wall and she talks with an incredible frankness. Some would call it guts.

The self-assured lady has a healthy perspective on fame. Tucking away soft wisps of her fringe, she says, "When I was younger I used to watch *Dynasty* and *The Bold and The Beautiful*. I told myself I wanted to live like that, but after experiencing so much in life, I learnt that it's not about being glamorous. What's important is that I'm accepted for who I am and that I have a loving family. It's not the name, nor the status". "I'm a simple person. I don't like to be in the limelight. There are some people who just get too carried away. I hate socialising when there's no purpose to it." When it's time to knock off at work, Khoo finds herself automatically heading back to her family to spend time and enjoy a little solitude. Her close friends understand her busy schedule. "We don't have to always meet. The friendship is deep in our hearts," she says eloquently.

The issue of piracy makes Khoo sit up. She fumes, "It hurts the industry. Because of it people do not go to cinemas and there isn't any collection". She points out that the recent police clampdown and raids on illegal VCDs is proving effective. "It seems to be working now. When *Paloh* comes in we won't need to worry. But it'll come back. Give it some months," she comments. No matter how *Paloh* fares, and what the unpredictable future might bring, Khoo is undisputedly poised to pounce. She says it as it is. "Where do I see myself in five years? It's pretty much going to be better than where I am today." **AT**

"When I was younger I used to watch *Dynasty* and *The Bold and The Beautiful*. I told myself I wanted to live like that, but after experiencing so much in life, I learnt that it's not about being glamorous. What's important is that I'm accepted for who I am and that I have a loving family. It's not the name, nor the status"

Accountants *need to* Stand Up!

In the history of civilisation, there is no other profession that has been hounded, ridiculed, talked about or castigated as much as the accounting/auditing profession — counting only the legitimate ones.

By Radha K. Vengadasalam



I am not sure why, but it is probably when it involves money, that everyone is an expert, unless you count football I suppose. I decided to be an accountant since time memorial, in fact I'm not too sure whether I wanted to be anything else. I clearly remember writing that as my desirable profession in the 001/002 card in primary school.

I still believe in the sanctity of the profession. I still believe that it is as good as any other profession. Someone recently wrote in a letter to the editor column that accountants couldn't be exciting, as unlike doctors or lawyers we do not deal with people's lives.

I beg to differ; I think our profession perhaps helps shape peoples lives more than any other does. Doctors and lawyers serve their purpose in this world. We accountants have ours. In fact the work we do touches everyone else and all other professions, including lawyers and doctors.

The work we do ensures that people's futures are guaranteed, either in ensuring that they have adequate financial planning or other aspects of their financial well-being have been addressed. We ensure that a company's financial statements are produced and audited so taxes can be calculated which can then be used to develop our nation.

You see, all this is inter-related; so to say that we do not deal with people's lives therefore cannot be further from the truth.

That is precisely why I think the profession is under siege now. We are being attacked from each and every angle. Regulators, government (read political parties), investors, employees, shareholders, banks and many others have accountants in their sights. You name any group and I am sure there are some gripes emanating from that section which we may have already heard and responded to.

Why is this the case? Are we really a bunch of 'woollies'? Are we really sinking? Is the future not bright but grey?

I do not think so, but I do think that we are now suffering from a backlash from years of just hoping that the problem would go away due to a lack of understanding from the users of our services.

My suggestions to counter all this negative force is not to sit around with our heads buried in the sand but to take the bull by its horns and come out with all guns blazing in *Guns*

of *Navarone* proportion.

There is nothing fundamentally wrong with the profession; it is just that I think the profession has been a victim of its own success. There is a need for accountants/auditors to raise the stakes and to establish some high profile standing in the eyes of the public.

That is not saying please drive flashy cars, spend all your time on the golf course or drink yourself silly at the finest restaurants in town.

What I am saying is that the spokespersons for the profession need to take the lead. We must establish ourselves as the guardians of accountability, especially with and under the auspices of MIA with the assistance of all other affiliate bodies.

What we need is a different approach to doing the things that we have been doing all this while.

There is definitely a big expectation gap between what we think we are and what others perceive us to be. The profession has come under some unfair action by certain governments.

A case in point was the relentless prosecution of Arthur Andersen in the US, which resulted in them being disbanded and disintegrated. We were always told that if in doubt please consult the lawyers and that was exactly what Arthur Andersen did. The advice was followed and due to the political tail wagging, Arthur Andersen was prosecuted but the actual miscreants who destroyed Enron are still having their say in court. How come the lawyer who gave that advice was not charged with the same offence?

To illustrate how unfair the case was, a breach of rules by some of the merchant banks in the US brought some heavy fines with the luxury of not admitting any fault and it was then business as usual for them. What was the purpose of destroying an organisation if only one or two partners committed the alleged wrongful act, which I dispute anyway?

Now we have even less accounting firms to choose from and these regulators keep on harping about anti-competitive practices. Who gained from all these? Nobody. In fact everyone lost out.

In the Malaysian context, from what I hear newly qualified graduates are shunning the profession (public practice that is). Not many wish to put up with the sweat-

shop that is called audit. Many want their life now, not toil for donkey years with a possibility of making it to the top one day. There is no point in ignoring this issue.

Then, there is this perennial 'war' between small and big firms. Small firms think that the big ones have lost their soul or mortgaged it to the big fee clients. The big ones think that the small ones are not technically equipped to undertake the task at hand. I do not wish to take sides but it is indeed a perception issue that has also perhaps been taken note of by users.

However it is not right to think that big firm partners will jeopardise all their hard work just for some lousy millions when the reputation of the whole firm is at stake and equally the lack of technical finesse does not necessarily result in poor quality audit.

I have experienced working with both big and small firms and I am certain that everyone has pride in their work and does not necessarily sign off audit reports before reading them properly. Both types of firms have their roles in any economy and it is best to work together rather than take pot shots at each other.

I think as a start we need to step up a gear on this practice review lark. There is a framework in place but it has to be very high profile so as to enable the profession to allay fears of the general state of affairs in the profession. I am of the opinion that due to the proliferation of standards, the pendulum has swung too much towards technical details and disclosures rather than good old fashioned quality audit.

There is a need to be fundamentally different in our practice review so that users know what we have been saying all this while, that good work goes into all audits. If anyone begs to differ, ask him or her to prove otherwise and let him or her suggest a better way.

Supremacy in technical skills does not guarantee that the audit itself will be undertaken properly. You can produce a supreme set of financial statements and win the NACRA awards but all of that amounts to nothing if the audit itself is not carried out properly or certain areas are missed.

Accounting standards tend to take a balance middle of the road approach as these standards are formed after consultation with/by many parties. They are not necessarily best practice or solely the work of ac-

countants. Therefore harping on technical excellence is not the cleverest way of solving our dilemma.

On the other hand, just because you have left out one or two minor disclosures on say provision for doubtful debts from your statement does not mean that your audit has been compromised. The two issues are separate issues. We have to address them separately.

The need for adequate practice review is paramount now more than ever to address the challenges faced by us in the modern financial world myriad, full of off balance sheet vehicles, inter-company transactions, mixing of private and public companies via management expertise sharing and 'clever' consultants and so on.

The reduction in audit firms, the increase in risk factors and new accounting standards from those days has made auditing that much harder. Senior partners in accounting firms tend to forget that in the days they were casting balance sheets, there were hardly any rules or standards. It is like motorists and traffic rules on our roads. Anything goes.

Now times are different. There is a lot more to do and more time is needed to undertake and complete assignments. Third world salary and working hours will not attract the best and brightest to the profession. We need to re-engineer our working practices. The so called Asian working culture myth has been truly buried with the collapse of the tiger economy in Korea and the economic uncertainty in Japan.

We must make the profession acceptable and attractive to the young once again. In those days everyone was more than willing to be put through training in public practice so that it would serve them well in future years. Working long hours does not mean hard work when you only come in to work at 11am the next day. It is best to put in a full standard day's work, go home and come back the next day physically and mentally rejuvenated.

These days many are not willing to put in these ridiculous hours. It should not be construed as a sign of laziness. It is all about making educated choices. Apparently learning the art of doing ten things at the same time or how to get by with sleeping only a few hours in a day and practically seeing no sunlight on end

is no longer attractive. Can you blame them?—

Note : Radha K. Vengadasalam is a member of ICAEW and MIA and has experienced the working culture of foreign and local, big and small firms. He strongly believes that we must reassert our strength and not just sit around like lame ducks.



UMNO after Mahathir

By Tareq Ismaun

It was, to say the least, a memorable and moving general assembly. All being well, the leadership succession from Datuk Seri Dr. Mahathir Mohamad to Datuk Seri Abdullah Ahmad Badawi, is expected to be smooth.

Having spent one whole day at the recent UMNO General Assembly, the last one involving Datuk Seri Dr. Mahathir Mohamad as its President, one consensus emerged. An orderly succession has once again proven to be UMNO's hallmark.

Thus earlier talks about the possibility of certain delegates "engineering" the assembly via a motion asking Dr. Mahathir to stay on, did not materialise as the man himself made it very clear that he really wanted to go, not when forced to, and more importantly, when UMNO is intact. At any rate, after the surprise resignation notice at the same assembly a year ago, the party itself has come to terms with and respect the wishes of a leader who has served for 22 years as party president and Prime Minister.

Delegates and observers also say that UMNO and by extension, Barisan Nasional will likely remain united at least until the next general elections, believed to be in early 2004. Amid poetic tributes to outgoing chief Dr. Mahathir and

Datuk Seri Dr. Mahathir Mohamad

“As a mature ruling party which forms the backbone of the BN, UMNO is acutely aware that it needs to remain in power to stay in business.”

reminders about the Malays’ unfinished struggle from himself and the incoming chief, deputy president Datuk Seri Abdulah Ahmad Badawi, it is clear that for the time being at least, UMNO will focus on the general elections.

Says an observer, “As a mature ruling party which forms the backbone of the BN, UMNO is acutely aware that it needs to remain in power to stay in business.” This observation echoes what the Youth chief, Dato’ Hishamuddin Tun Hussein remarked, “I have been stressing this and the UMNO Youth stand is : The party must win.”

Thus all the talk about key personalities jockeying for positions, especially for the number two post in the Abdullah era, has been replaced by pledges, realisation and support, that all will come to nought if UMNO performs poorly in the coming general elections.

The three Vice-Presidents, Datuk Sri Mohd Najib Tun Abdul Razak, Tan Sri Muhyiddin Mohd Yassin and Tan Sri Muhammad Muhd. Taib who pledged at the assembly to give 100 per cent support to whoever is chosen by Abdullah as Deputy Prime Minister, and with it the UMNO Deputy, subsequently reaffirmed their pledges in a TV programme aired by NTV7 one day after the assembly. They also appealed to supporters and party members not to incite them to stand for the number two post.

Notwithstanding the public pledges, and politics being the art of possible, there is still speculation about the number two post, that is once the general elections are over en route to party elections, which was post-

poned from this year to next year.

Basically it boils down to a guessing game as to who Abdullah will announce as Deputy Prime Minister in November. Although pressed by some to announce it before Dr. Mahathir goes, Abdullah feels that it is only proper that he waits until he has taken over.

The two serious candidates remain Vice-Presidents Najib and Muhyiddin. For one, this is obviously in line with party tradition. Moreover veteran Tan Sri Tengku Razaleigh Hamzah and Tan Sri Musa Hitam have both said they will not challenge Abdullah. Both made their positions public after Dr. Mahathir’s comment in a special interview with *Mingguan Malaysia* before the general assembly, that they would lose if they do so.

Although some hope that Abdullah will only announce his number two after the party elections, it appears that he takes the view that prolonging it further will not be good for party unity ahead of the general elections. He may also be accused of indecision if he takes too long to name his preferred choice.

To some it is clear-cut that Defence Min-

“People used to say that Goh Chok Tong would be just a stopgap Prime Minister but today he is still the Prime Minister of Singapore. After years of experiencing life under one Prime Minister, people just want a contrast. I think that should help Abdullah.”

ister Najib will be the one. They argue that if it is not him, with the support that he garners, it will cause problems for the party which will face the general elections in 2004. Indeed Najib explicitly mentioned in his winding-up speech that some supporters do play a role in pressuring party leaders to have a go.

Analysts say so far UMNO Youth leader Hishamuddin has not signalled who the Youth wing will support for the number two post. If there were to be a contest, it will thus be interesting to see how its votes will swing. For the record, Najib and Hishamuddin are cousins.

Others have different perceptions

They say it will be Muhyiddin precisely because Najib is perceived to be more powerful and can pose a threat even to Abdullah himself as new party president and Prime Minister. Notes one, “In UMNO you generally have a weak deputy. Look at what happened in the few cases when deputies were strong!” This is considered very important in the case of Abdullah who, unlike Dr. Mahathir, is perceived to be weaker and thus is more likely to be challenged. Political analysts say that apparently Muhammad, who does not have any government post, will also relish this scenario, as it would then enable him to “*tumpang sekaki*”.

It also depends on Abdullah himself as the new leader

Although some assert that he will be just a temporary UMNO President and Prime Minister, it is quite illogical for him to do just that having reached this far in government and politics. Quips a foreign observer, “People used to say that Goh Chok Tong would be just a stopgap Prime Min-

ister but today he is still the Prime Minister of Singapore. After years of experiencing life under one Prime Minister, people just want a contrast. I think that should help Abdullah.”

Interestingly for the party elections, other names also crop up for the Vice-Presidents’ slots.

An analyst says Perak Menteri Besar, Dato’ Seri Mohd Tajol Rosli Ghazali and Melaka Chief Minister, Datuk Seri Mohd Ali Mohd Rustam, have sent feelers that they are interested. However, perhaps still early days, so far there has been no public statements to that effect from them. The

only minister who has said categorically that he would not contest the veep's post so far is Foreign Minister, Datuk Seri Syed Hamid Albar.

Others feel that it will be a waste for Johor Menteri Besar, Dato' Abdul Ghani Othman to remain in Johor. Reasons : Johor UMNO remains strong and another state chief should be able to handle it without much problem. They also believe that Ghani, who used to be Sports and Youth Minister, would be able to play an effective role in youth-related matters. Thus it will be interesting to see whether Ghani will be brought back into the Cabinet under Abdullah or whether he will stand for vice-president?

Party tradition and democratic process aside, an analyst notes that both Dr Mahathir and Musa (after he lost in the 1987 bid) reminded party leaders, members and the Malays to take care of UMNO. As such, let it be warned that aspirants should not take the wishes of their party chief, ordinary party members and the Malay population at large for granted. Both their actions and inactions will be thoroughly scrutinised.

In Malaysia, UMNO is not just another political party

A weak UMNO is bad news for this multi-racial and multi-faith country, which has successfully been practicing power-sharing for so long. In his final address at the assembly, tireless Dr. Mahathir warned that if it forgets the original ideals of UMNO, the party could be defeated by itself. Yet today's internal and external challenges are far greater than before.

Analysts say the Malays must take a leaf from history. The Malay unity, which was brought about by UMNO's formation against the British Malayan Union plan in 1946, underwent several crisis before and after Independence. The formation of splinter groups in the form of PAS, IMP, Semangat 46 and Keadilan have at one time or another put a great deal of stress and strain on the party and Malay unity in general. After 450 years under the yoke of western imperialism, should the Malays let

their own complacency and cultural weaknesses undo the progressive strides that have been made in the last 46 years of independence?

In the ICT, K-Economy, pre-emptive strike and regime change era, internal disunity within UMNO and among the Malays



Although some have hoped that Abdullah will only announce his number two after the party elections, it appears that he takes the view that prolonging it further will not be good for party unity ahead of the general elections. He may also be accused of indecision if he takes too long to name his preferred choice.

will definitely set the clock back and send them to the backyards of history if they refuse to collectively focus on the mammoth challenges ahead. An analyst points out that there is no more trace of the Malay stock, which used to be in Hawaii and the islands of New Zealand. She also cites the Kurds who, although still exist as a race, do not have a country of their own!

It is heartening to note that Syed Hamid has stated that Malaysia's foreign policy

posture, which revolves around high moral principles, as opposed to sheer pragmatism, will remain post-Mahathir. Likewise International Trade and Industry Minister and Wanita chief, Datuk Seri Rafidah Aziz stresses that Malaysia continues to welcome foreign investors. What we do not want is overt and covert foreign subjugation.

Just like some westerners, some Malays and Malaysians, for reasons best known to themselves, do not like Dr. Mahathir. Yet according to a Chinese businessman close to him, he is generally regarded as an efficient manager by the Malaysian Chinese. And the Prime Minister has gained a significant following in Japan, Africa, the Middle East and Indo China. Whatever people may say about him, Dr Mahathir will be surely missed by pressmen of all persuasion and his own die-hard supporters.

While we do not indulge in hero-worship, it is only fair that we give credit where credit is due. In this context, the Leader of the Opposition himself has set a fine example by acknowledging Dr. Mahathir's contributions to this country.

After recently going through the text of his presidential address at the UMNO general assembly last year, I am convinced that Dr. Mahathir really wanted to resign last year. The content of his speech is a very Malay way of sharing his final *amanat* with his audience in PWTC and outside. Having done that, he left out his resignation announcement from the opening address and shocked everybody at the end of his winding up speech.

It is only fitting that as suggested by Dato' Mustapha Mohamed, a Mahathir Thought Institute be established to honour him. Likewise, the School for Occidental Studies proposed by Najib deserves support as it shows that UMNO and the country takes Dr. Mahathir's advice seriously.

We know one thing. Dr. Mahathir deserves a jolly good rest. Whether he is finally going to take up the OIC's Secretary-General's post, continue to do some writing or do other things, we certainly wish him well! **AT**

MCA : Make Peace Not War

Political analysts say the Malaysian Chinese Association (MCA) peace plan and its recent leadership change, reflect a political ceasefire in the run-up to the general elections. Many believe the party elections scheduled in 2005 may see yet another round of intense fighting between the party's Team A and Team B.

Says one, "The peace plan is a package to save MCA in the next general elections so that Barisan Nasional (BN) will get minimum negative impact from a fairly long rivalry between the two factions." Once the general elections is over however, he adds that it is likely that the two factions will test the resolve of Datuk Seri Abdullah Ahmad Badawi, who will take over the helm as Prime Minister, UMNO President and BN Chairman in November.

In the last general elections (1999), Chinese voters, who make up almost 30 per cent of the population, voted largely in favour of the BN, versus higher-than-usual proportion of Malays voting for the opposition. With the imminent general election, widely believed to be held early next year, the bickering within the second largest party within BN must stop and the Chinese component parties are expected to deliver Chinese votes again.

Phase one of the MCA peace plan, brokered by Prime Minister Datuk Seri Dr Mahathir Mohamad at the height of MCA's crisis last year, began when the party's central committee postponed party elections from last year to 2005.

Phase two took place recently. On 23 May, it accepted the resignation of Datuk Seri Dr Ling Liong Sik and Datuk Lim Ah Lek as its president and deputy president. Their preferred successors, Datuk Seri Ong Ka Ting, 47, and Datuk Chan Kong Choy, 48, were respectively elected as the new party president and deputy. Both are said to have strong grassroots' support and the two have been criss-crossing the country to get party members to close ranks.

For the first time in its 54-year history, the MCA president and deputy president resigned simultaneously. Still, analysts point out that newly-appointed Transport Minister Chan and party seniors such as Health Minister Datuk Chua Jui Meng (Team B) and Human Resource Minister Datuk Dr Fong Chan Onn (Team A) can still mount a strong challenge in the 2005 party elections.

While the Prime Minister decided to reward MCA by giving the party an additional deputy minister's post, from six to seven, it was the unexpected elevation of Chan to the Transport Ministry, seen to be traditionally held by the MCA president,

which has caught the attention of analysts.

Many were expecting Ong to be made new Transport Minister. After all, he used to be a press secretary and a political secretary at the ministry. By contrast, some point out that the Housing and Local Government's post, which continues to be held by Ong, has traditionally been the most junior of the four MCA Cabinet posts.

Still, Datuk Seri Dr. Mahathir, who has the prerogative in appointing cabinet members, reportedly told Bernama news agency, "It is my assessment of his (Chan's) ability. He also has a lot of experience." Analysts reckon that his experience in the Finance Ministry as Second Deputy Finance Minister will come in handy at the new ministry as Malaysia modernises its transport infrastructure to be more competitive in pursuit of economic growth. In addition, they add that by remaining as the Housing and Local Government Minister, Ong can continue to focus on the 452 Chinese new villages with over two million people, forming the bulk of the party's grassroots members.

It is also noteworthy that two prominent members of Team B, Health Minister Chua and Deputy Youth and Sports Minister Datuk Ong Tee Keat get to keep their jobs. So does Human Resource Minister, Fong. More professional and technocratic in style, both Chua and Fong are still elected MCA vice-presidents, while Ong is its Youth Chief. Incidentally, Chua is also the most senior leader after Ling and Lim.

Factions aside, analysts say as a party, MCA has certain weaknesses.

As a member of the ruling coalition dominated by UMNO, major changes within MCA are subject to the wisdom of BN elders. Despite some of its achievements for the Chinese community, critics say MCA faces some major constraints. It is perceived to be mainly concerned with promoting the interests of the Chinese business community. In addition, only a few MCA leaders can be returned to Parliament from solid Chinese constituencies — they tend to depend on the Malay votes.

Whatever people say, it remains to be seen how the two new leaders and other party stalwarts actually choose to write the rest of the MCA script and make the party relevant in the next stage of nation-building. **AT**

Much has been spoken of globalisation and trade liberalisation and its impact on the accounting profession. What then are these two concepts all about? In a nutshell, globalisation is a necessity in an evolving business environment while trade liberalisation is the free flow of trade and services in a globalised environment.

Merging *into* Strength

The message to small-sized practising firms is clear — merge or risk being “wiped out”

By Raymond Liew

“The primary objective of MIA is to establish several high-level action plans as a strategic response”.

Through the General Agreement on Trade in Services (GATS) at the World Trade Organisation (WTO) level, member countries were requested to table their respective offers on better market access and national treatment to each member country commencing March 2003, to be concluded by Year 2005. In view of the challenges facing accounting service providers and the vast opportunities made available to member firms, the Malaysian Institute of Accountants (MIA) took the first step to develop the national strategic direction, objectives and action plans, aimed at preparing members and member firms in our country to face globalisation and trade liberalisation.

The primary objective of MIA is to establish several high-level action plans as a strategic response. The main objectives are to act as an effective and cohesive reference to members, member firms, institutions of higher learning and other stakeholders to include establishing MIA's position and direction as the leading institution in the process of globalisation and trade liberalisation of the accounting services sector in the country.

This article is an extension of one previously

written by my fellow council member, Nik Mohd Hasyudeen Yusoff. As such, I will not delve into the intrinsic details of globalisation and trade liberalisation but will instead emphasise on the ASEAN Framework Agreement in Services (AFAS) and the means of exporting services before commenting on the need for mergers of firms in Malaysia.

The ASEAN Framework Agreement in Services (AFAS) was signed at the 5th ASEAN Summit in Bangkok in 1995. Its objectives are as follows :

- To enhance cooperation in services amongst ASEAN countries with a view to improve efficiency and competitiveness and diversify production capacity within and outside the ASEAN region;
- To eliminate restrictions to trade in services among ASEAN countries;
- To liberalise trade in services by expanding the depth and scope of liberalisation beyond that undertaken by ASEAN countries under the General Agreement on Trade in Services (GATS) with the aim of realising a free trade area in services.

The AFAS aspires to arrive at GATS-plus commitments with a view to obtain a free flow of service providers in the ASEAN

region, which coincides with our country's vision in the Year 2020. Seven priority sectors were identified under AFAS namely :

- Air transport;
- Business services (of which accounting services form a part of these services);
- Construction;
- Financial services;
- Maritime transport;
- Telecommunications; and
- Tourism.

The first package of initial GATS-plus commitments was completed on 30 June 1997, then endorsed at the 29th ASEAN Economic Ministers Meeting in Kuala Lumpur, Malaysia on 16 October 1997. At present, member countries are negotiating the third package under AFAS for the years 2002 to 2004. **The negotiations and discussions under AFAS are concluded at the ASEAN Coordinating in Services meetings.** To speed up the process of service liberalisation within ASEAN countries, the Coordinating in Services adopted the ASEAN-Minus X approach whereby any two member countries can enter into a bilateral arrangement to liberalise the services sector between their countries.

GATS defines four different ways of pro-

viding an international service classified as "modes of supply". These modes of supply are now widely accepted and their applications are not only limited to GATS negotiations but also to the regional arrangements as well as bilateral negotiations.

Briefly, the four modes of supply are :

Mode 1 — Cross-border supply

This mode of supply covers services flow from the territory of one member into the territory of another member e.g. accounting services provided via telecommunications, mails or via the internet.

Mode 2 — Consumption abroad

Consumption abroad refers to situations where a 'service consumer' moves into another member's territory to obtain a service e.g. a foreign client having its financial statements audited in Malaysia.

Mode 3 — Commercial presence

This mode implies that a service supplier of one member establishes a territory presence including ownership or lease of premises in another member's territory to provide a service e.g. a Malaysian accounting firm setting up a branch office in another country.

Mode 4 — Presence of natural persons

The presence of natural persons consists of persons of one member e.g. an accoun-

tant, entering the territory of another member to supply a service. The annex on movement of natural persons however specifies those members remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis.

In the process of globalisation and liberalisation of the professional services sector, particularly the accounting sector, one needs to be realistic about the challenges facing our very own local service providers. Naturally, the "adverse" impact of the liberalisation of trade in the services sector is not only confined to local accountancy service providers but also to relevant government agencies, education institutions and consumers.

In the face of the implementation of the ASEAN Free Trade Agreement (AFTA) and WTO in the next two years together with the many challenges and stiff competition we will face, accounting services providers must take steps to strengthen their competitive edge. To practitioners who refuse to acknowledge these challenges they will eventually find their practices unable to withstand this onslaught. It is time for these member firms to take action now.



*Going abroad ...
globalisation and trade
liberalisation requires
practising firms to merge*

Amid widespread corporate scandals and sweeping reforms, the urge to merge only registered on the radar screens of practising accountants in the past year or so. Now, with global challenges ahead, many firms will consider mergers with the view to compete more effectively in the Malaysian accounting profession arena. Generally speaking, most firms are motivated to merge by the desire to achieve growth and to take advantage of synergies or to defend or strengthen a market position. What then is a merger?

“A merger is more than merely an agglomeration of two or more firms!” It is similar to that of a marriage just like a husband and a wife with the exception that there is no gender involved and that there may be more than two parties. Naturally, there are many factors involved. Together with its many pros there are cons too.

Pitfalls of a Merger

To understand a merger a little better, I would like to highlight the pitfalls of mergers that have been experienced by past break-ups of practitioners, some of which are as follows :

- Lack of planning and the failure to obtain full support and commitment from all participants;
- Unsuitable candidates, the short-sightedness of participants and personality clashes;
- Differing viewpoints, concepts and corporate culture;
- Distorted and unclear vision, mission and firm’s objectives;
- Valuation of goodwill of individual firms;
- Nepotism and favouritism;
- Financial constraints — the other extreme;
- Non-audit services — failure to expand its range of services;
- Autonomy and autocracy;
- Failure to deliver the ultimate “promise” i.e. synergy attainment.

Needs and the Advantages of a Merger

With past failures and obstacles behind us, let us now consider the needs and advantages that a merger may provide :

- 1 Opportunity for capacity and capacity building such as the pooling of resources
- Staff pooling of expertise resulting in an opportunity for specialisation;

- Normally, leading to better staff retention as a result of larger size;
 - Greater sharing of technical information;
 - Allows for research and development (R&D) programmes to be undertaken.
- 2 Wider scope for the expansion of range of services
 - Other than auditing services, the range of other services may widen to a greater scale;
 - Ability to fulfil the needs of clients better with this expanded range of services;
 - Quality and cost efficacy due to efficiency;
 - Resulting in better assurance and compliance.
 - 3 Geographical coverage
 - With a merger, the bigger firm may now be able to have a branch office in different states of the country and possibly overseas to obtain a wider geographical coverage;
 - Ability to support the clients’ expansion to different geographical locations hence leading to better services for the clients.
 - 4 Branding of a bigger firm
 - Better image as a result of bigger size due to combined capability;
 - A bigger size and wider geographical coverage leads to better branding.
 - 5 A platform for specialisation
 - With a larger staff force, specialisation is now a reality;
 - Possibly, expanding to a Multi-Disciplinary practice arrangement.
 - 6 Practice continuity
 - The firm will continue even with the exit of a partner or indeed if there is change in ownership;
 - Admission of additional partner(s) is made easier since the partnership structure is already in place;
 - With the practice continuity in place, clients feel more at ease.
 - 7 Greater financial security
 - Generally, the combined financial investment is greater leading to better financial security;
 - Better management systems;
 - Better technological systems in place with larger financial investments;
 - Greater financial returns to partners.
 - 8 Retirement planning
 - An avenue for exit opportunity should the

- retiring partner wish to do so without jeopardising the future of the practice;
- Creating a value for the retiring partner.

9 Others

- Focus may be emphasised on practice management and development;
- Better career development for staff members;
- Better personal development programmes for both staff and management alike.
- Value added

For the purpose of this article, I have discussed the “whys” of a merger rather than the “hows”. Naturally, a successful merger goes beyond merely understanding the pitfalls of a merger. This article merely highlights the need for mergers as a result of various external forces and the advantages that go with it. To attain a successful merger, one must consider the overall action plan starting from “Pre-Merger” considerations to “During-Merger” considerations and finally into “Post-Merger” considerations. The whole process is an on-going episode and the various success factors involved will include proper initial planning, the compatibility of partners right down to the integration process with a clear vision and mission in place. However, the process should not stop there, it is the deliverance of the ultimate promise which is what the merger is all about!

For practitioners who wish to consider mergers as an option for their future growth and expansion plans in the light of the above, please feel free to contact or e-mail the writer, Raymond Liew who is also chairing the Mergers and Acquisitions working group of the Institute. Together with his working group team, they hope to design a booklet shortly to provide the basic fundamentals of Mergers and Acquisitions for the benefit of the Institute’s members. Some of the facts mentioned above including past experiences were extracted from the meetings of fellow members within the working group. **AT**

Note : There will be a follow-up on the Pre-During & Post-merger considerations in a forthcoming article together with considerations for alternatives, the like of “affiliations” — local and overseas; and possible “acquisition” of firms.

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Exposing Fraud through Forensic Accounting

By Tang Ai Leen

Why is fraud considered the most under reported crime? Perhaps it is because once committed, the victim is unaware of the damage of the fraud until it is too late, let alone be able to identify the culprit. Fraud, as defined by KPMG Forensic, is a deliberate deceit, which is planned and executed to deprive an individual or an organisation of the property, money or any other valuable security. Fraud has to be committed with intent and this includes actions of misrepresentation and/or acts of omission. So who is tasked to uncover an act of fraud?



“White-collar crime that includes criminal breach of trust and cheating sometimes takes years to detect simply because the perpetrator is someone whose occupational status gives him the power to camouflage wrongful acts”.

For many of us in our 30's and beyond, the term 'forensic' will conjure images of Jack Klugman as Dr Quincy M.E, the forensic expert who regularly appeared over RTM's Channel 2 in the early 1980s (as TV2 was then known), to pore over dead bodies and solve many a baffling crime for the Los Angeles Police Department. However, the term forensic is not confined to the medical profession. In the accountancy profession, forensic accountants are seen as bloodhounds tasked to unearth evidence of fraud in an organisation. While auditors merely express an opinion concerning the truth and fairness of financial statements, forensic accountants go beyond the books to state facts in order to help management make in-

formed decisions.

Forensic accountants do not confine their scope to detecting and finding resolutions to fraud but also help prevent it by facilitating the development of prevention programmes such as devising appropriate controls and identifying risk areas, among other things. In a survey conducted by KPMG in 2000 on public perception of fraud in Malaysia, it was found that 50 per cent of the respondents felt that the occurrence of fraud would increase in future and that the main reason for this was the emergence of more sophisticated criminals. The survey also pointed to public perception that non-management employees would constitute the largest source of fraud.

Just as there are many types of fraud, there are also many possible reasons for one to resort to fraud. Whether it is done to maintain a certain lifestyle that legitimate income cannot sustain or it is a means to cover one's errors or financial pressure or simply to have the thrill of being able to deceive the bosses and still be in their good books, fraud is a crime that can have drastic consequences on the perpetrator and the organisation that he or she represents.

In conducting forensic investigations, there are many warning signs that an investigator will look out for. A manager who takes an unusual interest in certain aspects of the business or an employee who resigns suddenly or maintains an excessive lifestyle or is excessively generous towards other staff are just some of the warning signs on acts of fraud. There are so many possible ways to commit fraud and it is the forensic accountant's duty to be able to pay attention to details in order to detect an act of fraud. White-collar crime that includes criminal breach of trust and cheating sometimes takes years to detect simply because the perpetrator is someone whose occupational status gives him the power to camouflage wrongful acts.

The world has reeled from several high profile acts of fraud these last two years that has led to several legislative changes. Have these changes actually averted incidences of fraud or have potential criminals devised even more sophisticated means to inflate their bank accounts without detection? **AT**

Note: KPMG Forensic Malaysia's Senior Manager Tang Ai Leen presented this paper on *Auditors' Forensic Practice* during the Regional Accountants Conference (RAC) in Kuching, Sarawak recently.

Environmental Concerns affecting consumer purchase preferences



By Selvan Perumal, Noraini Abu Bakar, SCHOOL OF MANAGEMENT, UUM
& Dr. Jeyapalan Kasipillai, SCHOOL OF ACCOUNTANCY, UUM

A borderless world, availability of unlimited sources of information, and a rise in the number of educated professionals are factors that result in consumers being more aware about living in a friendly earth. Consumers are interested in buying products that are environmentally friendly and are equally concerned about living in a healthy environment. This study examines consumers' purchase preferences and their concern for the environment. Pertinent relationships between purchase behaviour and demographic variables are also reported in this paper.



Introduction Environmental concern is of interest to the business community at large and to marketing personnel in particular. More marketers are coming out with products that are “green”, “recyclable”, “reusable” and “environmentally friendly”. The introduction of the ISO1400 standard has increased firms' awareness and concern in environmental activities by providing an overall performance evaluation of a firm's environmental activities. The standard is also encouraging managers to conduct life-cycle analysis and environmental labelling of products (Tibor and Feldman, 1996). According to Ottman (1993), environmentally conscious consumers are those who actively seek out products perceived as having relatively minimal impact on the environment. These environmentally conscious consumers are assumingly educated, affluent, and who represent the most desirable of consumer target markets.

Currently, there is no statutory requirement for companies in Malaysia to disclose environment information to the public. The requirements for disclosure by the Company Act 1965 are all confined to financial related data with no reference to environment ones. Nevertheless, new laws have begun to address this important issue. For instance, the Malaysian Accounting Standards Board 1 (MASB 1) makes special reference to environment reports and value-added statements encouraging companies to present further information if management believes it will assist users in making environment decisions. Due to the absence of mandatory requirements in Malaysia to disclose environment information to the public, such reporting is essentially voluntary in nature. Industries in Malaysia that have a significant impact on the environment are gas, petrochemical and rubber-based industries as well as the utilities sectors.

Literature Review Numerous studies have broadly examined the importance of environmental issues (Makower, 1993; Porter and Van der Linde 1995). These studies suggest consumers are willing to change their consumption behaviour in order to preserve the environment. Adopting use of recycled material is a good indicator of green behaviour. Consumers who give more attention and concern about ecological and environmental issues will switch and use environmentally friendly brands (Du Preez, Diamantopoulos and Schlegelmilch, 1994).

In a competitive business environment, consumers are realising the importance of the natural environment as part of their daily life, particularly so in consumption patterns and behaviour. They prefer to choose products that are environmentally friendly and this perception and attitude forms more environmentally-conscious behaviour among the consumers (Du Preez, Diamantopoulos

and Schlegelmilch, 1994). In recent years, there has been increasing concern for environmental well being in purchasing behaviour by consumers.

The behaviour of consumers in choosing products has been influenced by products that are environmentally sound (Schlossberg, 1992; Ottman, 1993). A Gallup Poll commissioned by Advertising Age reported that 96 per cent of women and 92 per cent of men would consider a company's environmental image in making purchase decisions (Bhat 1992). The poll also reported that 70 per cent of the respondents purchase decisions were at least "sometimes" influenced by environmental messages in advertising and product labelling (Chase and Smith 1992). Thus,

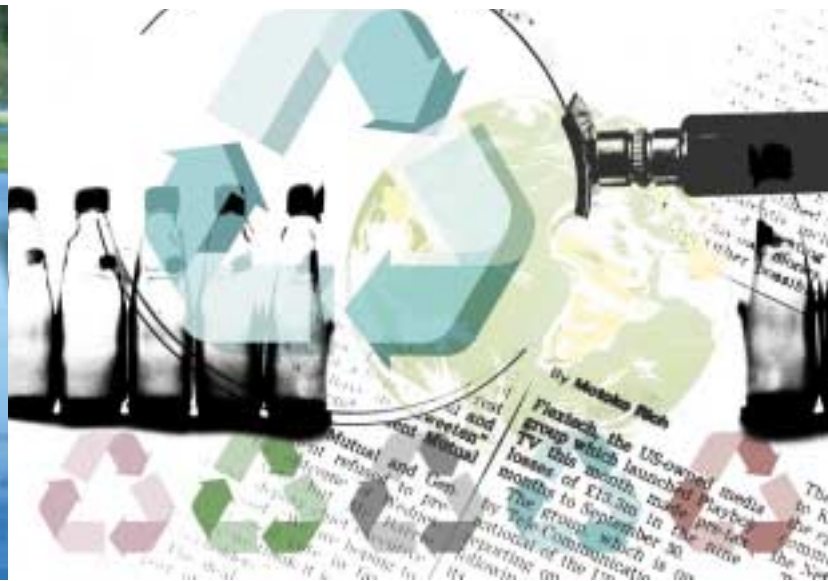


it can be concluded that environmental concerns are increasingly influencing purchase decisions.

Generally, environmental issues and concerns address usage of claims such as "environmental friendly", "ecologically safe" or other similar terms intended to convey in a general way that the product is not harmful or is beneficial to the environment. Chan (1996) stated that concerns for environmental issues represent predispositions of human beings influencing behaviour in a favourable or unfavourable manner. It is being supported by the information processing theory, which contains assumptions about how consumers respond to information provided by various sources (e.g. information about the environment), and then use the information in a specific choice situation (e.g. consumer purchase behaviour) (Bettman, 1979). This theory can explain the relationship between an individual's level of concern for environmental issues and consumer purchase preferences. These environmental concerns directly relate with the term and concept of recyclable and reuse of materials of the products purchased by the customers. Carter and Carter (1998) concluded that environmental purchasing functions are involved in activities that include reduction, recycling, reuse and substitution of materials. According to Biswas *et al.* (2000), attitude towards recycling has a significant effect on waste recycling and recycling shopping behaviour. Furthermore, findings by Mobley *et al.* colleagues (1995), indicate that behaviour towards recycled products are not only based on product use but by the overall

effect that could be the foundation for attitudes. In another study, an individual's attitude was found to be a significant indicator in purchasing recycled or recyclable products (Minton and Ross, 1997).

Ecologists also believe that the green movement eventually will have as great an impact as the movement towards health food exerted in the mid-1980s (Redmond 1988). This is because, environmental awareness and concern are closely linked to environmentally responsible purchasing behaviour (Schlegelmilch and Bonlen, 1996). A study by Chan (1999) suggests Chinese individuals ecological concern is low even though they have expressed exceptionally strong emotional attachments to ecological issues. The author also suggests that to advance the green marketing movement, green



marketers and the Government need to seriously consider ways to raise consumers existing environmental concerns and channel them into related actual commitments. In other words, green marketers should continually improve the quality of their green products and publicise their environmental claims.

Grunert and Grunert (1993) showed the importance of consumers driving the green revolution when considering that 30 to 40 per cent of environmental degradation has been brought about by the consumption activities of private households. Green movement and concerns is primarily consumer driven. If consumers have a positive attitude towards environmental issues and channel them into proper environmentally conscious purchasing behaviour, it is likely that profit-driven firms will be strongly motivated to apply the concept of green marketing to their operations (Chan, 1999).

Concern for the environment has influenced firms to develop new products, new packages, use of better packaging techniques, and advance new promotional campaigns that relate to environmental issues. Specific environmental claims such as "recycle" and "recyclable" "safer for environment", "biodegradable", and "ozone-friendly" have been communicated especially in advertising and on labels as part of marketing communications (Hastak, Horst and Mazis, (1994). Consumer interest and concern in "green products" has grown and expanded over the past few years, and it is expected to increase in the near future. Due to this consciousness, market-

ing managers and firms are more cautious in their marketing programs. More and more marketers are bringing out products that are "environmentally friendly" into the marketplace. Mitchell (1989) found that 80 per cent of marketers believed that businesses would be forced to change dramatically in response to the growing ecological crisis. Ninety per cent of marketers agreed that green movement is a permanent change in society and consumer behaviour.

Even though, many marketers and firms are responding with changes in their policy and concept towards environmental issues to increase sales and profits, they are not delivering on consumers' green concerns (Williams, 1992). The three major problems facing environmental marketing are false advertising, a lack of common standards for evaluating environmental claims, and negative attitudes often exhibited by green consumers toward corporations (Zinkhan and Carlson, 1995). To overcome these environmental marketing problems, marketers must find new communication strategies to motivate consumers to shop in an environmentally responsible manner (Roberts, 1996). Marketers need to understand their role in protecting the environment as well as the green purchasing behaviour by consumers. By considering and understanding environmental concerns, the marketers and consumers can make "green marketing" a profitable business venture and at the same time protect the environment.¹

Significance of Study Studies have also explored aspects of environmental concerns and purchase behaviour which indicated ecological concerns are strong (Kerr, 1990; Donaton and Fitzgerald, 1992) and consumers choose products that are perceived as environmentally sound (Ottman, 1993). Although many firms are responding to the change in the needs and wants of consumers in order to increase sales, many marketers are still not delivering the consumers concern on 'green' in their products. Studies on environmental attitudes and behaviour have also been widely researched (Synodinos, 1990; Berger and Corbin, 1992; Alwitt and Berger, 1993; Grunert and Grunert, 1993; Benton, 1994), but their exact relationship has not been fully established (Martin and Simirontiros, 1995). This is particularly true in the case of Malaysia where little research has been carried out concerning consumer purchase preferences affecting environment abuse. Therefore, a proper study of 'green marketing' concerns for environmental issues and consumer purchase preferences is urgently warranted.

Ultimately, marketers need to give more attention to environmental issues in relation to their marketing strategies. They need to improve their products and marketing strategies by going "green marketing". To address this changing trend, this study evaluates levels of concern for environmental issues and purchase behaviour preference in an urban town, namely, Alor Setar². The study also examines the level of concern on the environment and the purchase behaviour preferences based on demographic variables.

Methodology One hundred and sixty two shoppers from Alor Setar served as subjects in this exploratory study. Respondents were randomly interviewed while leaving the supermarket and they were asked to report on purchase preferences that relate to environmental issues. The respondents were interviewed over a

three-day period (Thursday, Friday and Saturday) in August 2001. Demographic information such as age, education, ethnic background and family income were also obtained.

The statements in the questionnaire on consumer purchase behaviour were adapted from Noye and Das (1993). The objective of using these statements was to assess the extent to which shoppers made environmentally friendly purchases. The statements in the questionnaire focused on the reusability, recyclability and extent of packaging of products purchased by them. A Likert scale ranging from five (very frequently) to one (very rarely) was used.

In addition to the purchase behaviour preference statements, the questionnaire solicited responses to seven environmental related questions in order to examine their concerns for environmental issues. The seven questions centred around the following areas: waste disposal, water pollution, sound pollution, air pollution, ozone layer, fossil fuels and deforestation. A five-point Likert scale was used, with 'five' being extremely concerned for the environment and 'one' being not concerned at all.

All the data from the survey were transferred to coding sheets by using the SPSS program. Analysis of variance was applied to measure the association of respondents' responses to:

- ① consumer-purchase preference variables;
- ② the environmental-concern variables; and
- ③ each of the pre-determined statements listed in Tables 1 and 2 with the four demographic variables.

Findings The demographic profile of the respondents is summarised below followed by an outline of consumer purchase preferences in relation to its impact on environmental abuse. The results of analysis variance are also presented in this section.

Demographic Profile of Respondents The respondents' ages ranged from 20 years of age to over 51 years. Education level of respondents varied from 52 per cent having attended a college or a university; 45 per cent having completed high school and three per cent having completed secondary education. As for monthly income, 55 per cent reported earnings less than RM1,000; 13 per cent (RM1,000-RM2,000); 28 per cent (RM2,000-RM3,000); and four per cent reported over RM3,000. As for ethnic background, about 75 per cent of the respondents were Malays, 13 per cent Chinese, nine per cent Indians and three per cent comprised of other races.

¹ In Malaysia, the Department of Environment Malaysia has issued 'Green Tips' to the public. Green tips are produced for School Children, Green Tips at Home, Green Tips at Office and Green Tips at Shopping. The Green Tips at shopping guides consumers to:

- Plan one's shopping to save fuel and time.
- Walk if possible to avoid driving and traffic congestion, thus reducing air pollution.
- Plan one's shopping list to avoid buying on impulse, which normally contributes to household waste.
- Bring your own shopping bag, to eliminate unnecessary consumption and reduce waste through plastic bags
- Buy cadmium free rechargeable batteries for flashlights, toys and household items.
- Select products with less packaging to reduce solid wastes.

² The urban town of Alor Setar is the capital of the state of Kedah. The town has a population of over 200,000 people.

Purchase Behaviour The ranking of 10 mean values for the purchase behaviour statements are presented in Table 1. The environmentally-friendly purchase behaviour statements, namely, “Purchases of food items with least amount of packaging”, “Purchases of beverages in disposable containers” and “Purchases of products which are recyclable” received the top three positions with mean values of 3.44, 3.16 and 3.09 respectively. The mean values in the questionnaire varied from a minimum ‘1’ to a maximum ‘5’. As for the three not-so-friendly purchase behaviour statements, “Purchases of toilet tissue with recycled content”, “Purchases of rechargeable battery” and “Purchases of disposable razors”, occupied the eight, ninth and tenth rankings with frequency values of 2.29, 2.27 and 2.00 respectively. The other environmentally friendly purchase behaviour statements showed frequency values ranging from 2.52 to 3.04.

The extent of concern for environmental issues was also solicited from the respondents. They were asked to respond to seven statements relating to important environmental issues. Table 2 lists the frequency values for the seven environmental issue statements. Consumers reported greater concern for the reliance of fossil fuels, deteriorating state of water pollution and worsening air pollution. The highest level of consumer concern was reported on reliance of fossil fuels (mean : 4.44), water pollution (mean : 4.31) and air pollution (mean : 4.27).

Analysis of Variance Results of analysis variance performed on responses to purchase behaviour questions and environmental concerns versus individual demographic variables are presented in Table 3. The results (F-value 10.026) suggest significant differences exist in the purchase of razor blades relative to the age among the respondents. It was observed that respondents aged between 20 to 30 years made less frequent purchases of disposable razors as compared to other age groups. The findings revealed that use of disposable razors increases with age.

As for education influencing purchase behaviour of environmentally friendly products, there is a significant difference in the frequency of purchases among the three groups, namely, respondents who have only primary-level education; those who have completed secondary education; and respondents with tertiary education. Respondents with minimal education (merely having completed primary education) less frequently purchased beverages in disposable containers and seldom used rechargeable batteries. Significant differences were also found between monthly income groups for purchases of disposable razors and aerosol sprays. Respondents in the income group of RM2,001 to RM3,000 per month made more frequent purchases of products in disposable containers and aerosol spray

items compared to the other three income groups suggesting that respondents in higher income groups purchased more disposable razors and aerosol sprays. The other three income groups are: less than RM1,000 per month; RM1,001 to RM2,000 and above RM3,000.

The results also indicated significant differences were found among ethnic groups in purchasing disposable razors and toilet tissue with recycled content. The Indians were found purchasing disposable razors frequently; while the Chinese were purchasing more frequently toilet tissues with recycled content when compared to the other ethnic groups. Results of analysis variance between respondents’ concern for environmental issues and demographic variables are shown in Table 4. The overall results based on F-values indicate that there were no significant differences between respondents’ demographic variables and all the seven environmental concern statements.

The findings do not indicate any significant differences between the age groups, varying education level, different income levels and among ethnic groups. Consequently the results do not support the hypothesis that the level of concern for the environment is expected to be higher among the young, well-educated individuals with higher income level, irrespective of their ethnic background.

Table 1 Responses to Purchase Behaviour Statements

Respondents' Responses	Mean	Ranking #
Purchases of food items with least amount of packaging	3.44	1
Purchases of beverages in disposable containers	3.16	2
Purchases of products which are recyclable	3.09	3
Purchases of products in reusable containers	3.04	4
Purchases of clothes with least amount of packaging	2.89	5
Purchases of unbleached products	2.52	6
Purchases of aerosol sprays	2.29	7
Purchases of disposable razors	2.27	8
Purchases of rechargeable batteries	2.24	9
Purchases of toilet tissue with recycled content	2.00	10

No of Respondents : 162 respondents; A 5-point Likert scale was used, with 5 being very frequently and 1 being very rarely; # The lower the ranking, the higher the frequency.

Table 2 Responses to Statements concerning the environment

Environmental Concerns Statements	Mean	Ranking #
Reliance of fossil fuels	4.44	1
State of water pollution	4.31	2
State of air pollution	4.27	3
Depletion of ozone layer	4.26	4
State of haze	4.22	5
State of sound pollution	4.21	6
Extent of deforestation	4.05	7

No of Respondents : 162 respondents; A 5-point Likert scale was used, with 5 being extremely concerned and 1 being not concerned; # The lower the ranking, the higher the frequency.

Conclusion This paper explores consumer concern for environmental issues and their preferences in purchasing environmentally friendly products. The findings of the survey indicate the respondents frequently purchase food items with the least amount of packaging indicating their preferences for fresh consumables. Chinese respondents purchased toilet tissue with recycled content more frequently compared to other ethnic groups.

Other findings suggest that products such as razor blades, bleached items and aerosol sprays badly pollute the environment but are still being purchased by the customers. This may be due to unavailability of alternative environmentally friendly products or due to a lack of knowledge on disposal of waste products that are detrimental to the environment. Marketers can take advantage of opportunities to work with retailers by developing alternative products that can reduce waste and attract affluent green consumers. Further research should be carried out on a business enterprise's strategies and attitudes towards producing environmentally 'green' products.

Public policy-makers should consider when and how to provide education to consumers and at the same time provide incentives to manufacturers for a greater use of more 'green' raw materials.

Tax instruments should also be used to deter the use of products that pollute the land. For example, a surcharge should be imposed on products that are detrimental to the ecosystem and the taxes collected could be channelled towards funding expenditure that preserves the natural world. In the final analysis, every effort should be initiated by Government agencies with the cooperation of the corporate sector and the public to work together and preserve the environment. **AT**

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Table 3

Analysis of Variance : Respondents Responses to Purchase Preference versus Demographic Variables

Respondents' Responses	Age (F-value)	Education (F-value)	Income (F-value)	Races (F-value)
Food items with least amount of packaging	0.397	0.177	0.609	0.302
Beverage in disposable containers	2.216	3.221*	0.606	0.583
Products which are recyclable	1.489	0.986	0.254	1.229
Products in reusable containers	0.081	0.710	0.194	0.950
Clothes with least amount of packaging	0.511	2.784	1.464	0.170
Unbleached products	0.434	0.549	0.716	2.149
Aerosol sprays	1.332	0.124	3.173*	0.888
Disposable razors	10.026*	2.949	7.266*	4.378*
Rechargeable batteries	2.518	4.966*	0.440	1.898
Toilet tissue with recycled content	0.225	0.964	0.949	6.769*

* P < 0.05

Table 4

Analysis of Variance : Respondents Concern for the Environment versus Demographic Variables

Environmental Concerns Statements	Age (F-value)	Education (F-value)	Income (F-value)	Races (F-value)
Reliance of fossil fuels	1.937	1.681	0.919	0.855
State of water pollution	0.929	0.328	0.627	1.509
State of air pollution	0.059	0.505	0.500	1.230
Depletion of ozone layer	0.547	0.278	0.340	0.855
State of haze	0.403	1.112	0.872	1.390
State of sound pollution	2.180	0.723	1.158	1.315
The extent of deforestation	2.057	0.968	0.607	2.091

* P < 0.05

Enterprise Governance

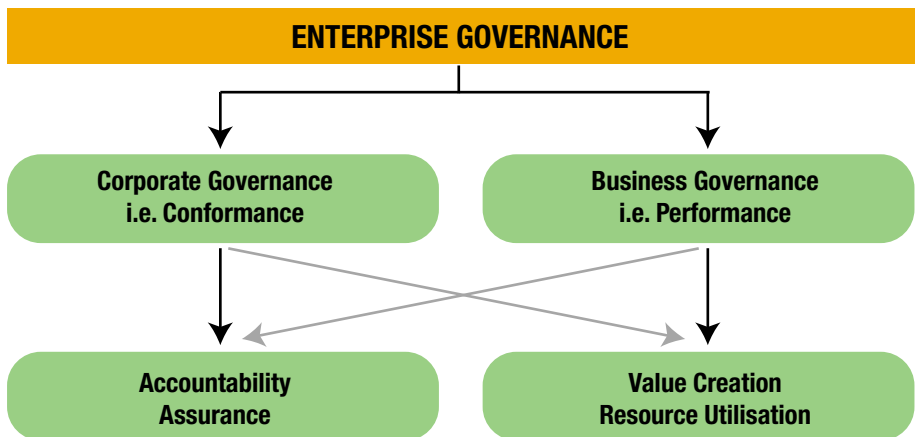
Enterprise Governance is an emerging term that CIMA and others use to describe a framework that covers both the corporate governance and the business management aspects of the organisation. It looks at how companies can balance these two aspects and focus their energies on the key business drivers that move their businesses forward.

Much work has been carried out recently on corporate governance but the performance aspects of governance have not received so much attention. This discussion paper is based on initial research undertaken by CIMA. Enterprise governance has now been established as a collaborative research project by the Finance and Management Accounting Committee (FMAC) of the International Federation of Accountants (IFAC) with participating member bodies from the UK, France, Italy, Hong Kong and the US. Bill Connell FCMA will be leading this project forward as Chair of CIMA's Technical Committee and as Chair of FMAC of IFAC.

Figure 1 illustrates the reach of enterprise governance — it constitutes the entire accountability framework of an organisation. There are two dimensions of enterprise governance — conformance and performance. In general, the conformance dimension takes a historic view while the performance view is forward-looking.

The diagram is similar to the one that illustrates the domain of the finance function in a recent comprehensive study on competencies (FMAC, 2002). The lines show that, although conformance feeds directly to accountability and performance to value creation, conformance can also

Figure 1 The Enterprise Governance Framework



feed to value creation while performance can feed to assurance.

The Conformance Dimension

The conformance dimension of enterprise governance has had significant coverage in recent years and in particular, in the last 12 months following the various corporate scandals.

It is what is normally understood by “corporate governance” and covers issues such as :

- The roles of the chairman and CEO;
- The board of directors e.g. composition, non-executive directors, training, etc;

- Board of committees e.g. audit, remuneration and nominations committees;
- Risk management and internal audit.

It is well covered in the literature and there will continue to be developments in this area. Codes and/or standards can generally address this dimension with compliance being subject to assurance/audit.

Within the conformance dimension, the role of the professional accountant in business is that of control to ensure accountability and of internal audit to provide assurance that the controls are effective.

The role of external audit is equally clear to protect the interests of shareholders, to

ensure that the financial statements give a true and fair view of the enterprise and to give independent assurance to the Board, normally through an Audit Committee.

There are also well-established oversight mechanisms for the board to ensure that good corporate governance processes are effective e.g. committees mainly or wholly composed of independent (non-executive) directors and, in particular, the Audit Committee. Other similar mechanisms are in place in countries where a separate Audit Committee does not exist.

The Performance Dimension

In contrast, the performance dimension does not lend itself as easily to a regime of standards and audit. Instead, it is desirable to develop a range of best practice tools and techniques that need to be applied intelligently to different types of organisations. These tools and techniques are very much the domain of the professional accountant in business.

The focus here is on helping the board to make strategic decisions, understand its appetite for risk, and its key drivers of performance, implementation of strategy and its on-going relevance and success must then be assessed on a regular basis. This has been the focus of a CIMA Round Table on Strategic Enterprise Management.

Unlike the conformance dimension and its audit committee, there is no oversight committee that can oversee strategy independently e.g. by reviewing the strategy development and implementation process, challenging the information provided, assessing which are the key business drivers etc.

There are a range of tools and techniques, e.g. scorecards, continuous improvement, strategic enterprise systems, which can help boards to focus on strategic direction and its implications for all areas of the business, but these are not often dealt with as a coherent whole by the board.

One of the proposals of the Enterprise Governance project is to address this “oversight gap” by developing a “strategic scorecard” for the board to ensure that good governance applies equally to the performance aspects of the business. This should be forward looking and reflect the issues

that are truly critical to the company’s success. The scorecard should embrace the strategic objectives of the enterprise, the value drivers, the milestones, the timing of intended achievements and the risks that need to be managed.

The quality of information underpinning such a scorecard is fundamental not only in terms of integrity and relevance but also in terms of being neutral and even handed. Ensuring the quality of information is the domain of the finance function and the professional accountant in business, abiding by a code of ethics. In addition, in public interest companies, the quality of information would typically be subject to assurance from an independent internal audit or business assurance audit function. The aim is to give the board comfort that it is seeing a true and fair reflection of strategic progress and strategic options. With regard to external disclosure, the process of preparation of, and/or the information itself, will also be subject to review / audit by the external auditors.

Why is Enterprise Governance Important?

We need to have a better understanding of what goes wrong in companies and what must be done to get things right.

Following recent scandals (e.g. Enron, Worldcom, etc.) the emphasis has been on “traditional” corporate governance issues — what we have termed the conformance dimension. Recent problems have led to demands for greater transparency and board oversight to protect shareholders against improper and even fraudulent management. It is critical to consider such issues — after all, the aforementioned US failures were failures of control.

However, it is also important to adopt an integrated approach and not over-emphasise control — recent UK corporate problems such as those at Marconi have typically been strategic failures. As Burwell and Mankins have argued, “overlooking management improprieties is not the only way boards have let down shareholders in recent years”. They cite a number of examples (e.g. Ford, Kmart, Vivendi and Nortel) where boards have failed to steer management away from decisions that damaged long-term shareholder value.

They distinguish between the internal and external aspects of corporate governance where the external dimension focuses on the board while the internal dimension focuses on the role of the CEO and executive management team and their relationship with the rest of the organisation in driving value growth.

This view is consistent with the framework of Enterprise Governance Companies that need to be successful in creating value. As concluded in a recent Economist Intelligence Unit survey, “regulations are not only part of the answer to corporate governance” (Economist Intelligence Unit, 2002). Substance has to matter more than form. This is not just about ensuring that the board works well, but that the company’s strategy is the right one and is implemented well. Superior performance will not arise from making the right decisions about the wrong issues.

The Economist Intelligence Unit (EIU) surveyed 115 international executives in July 2002 in the light of Enron. One of the questions posed was “Which of the following pose the greatest threat to the share price of your organisation?” The greatest threats were perceived as market risk (downturns), reputational risk, shortage of top-quality management talent and a failure to innovate.

Ernst & Young recently published a study (Ernst & Young, 2002) which analysed the major positive and negative shifts in the share price of the Global 1000 businesses over the five year period up to August 2001. After adjusting for market and sector movements, the study concluded that two-thirds of all radical share price movements — up or down — are a direct consequence of strategic issues. Financial and operational risks account for only one third between them.

In this context, it is worth noting that the critical assurance role of an independent internal audit function features in the dimensions of both conformance and performance with an objective to evaluate and improve the effectiveness of the risk management, control and governance processes. **AT**

Note : This article is contributed by CIMA, a copy of which can be downloaded from the CIMA website at www.cimaglobal.com

Getting Connected



It's no longer enough to be the guardian of numbers, finance needs to be the spirit behind the operation.

By Lesley Meall

“In theory, business performance management can link individual processes into a coherent system, allowing businesses to efficiently manage and collaborate on the entire business performance management process”.

Nigel Youell

Marketing Manager, Comshare

Finance professionals have never been under so much pressure to provide decision support for so many people — from shareholders and other market-driven groups and individuals to the wider community of stakeholders. Everyone sees themselves, or the group they represent, as an exception, and they all expect finance to provide the right numbers, at the right times, to the right people, in the right format.

The world we live and work in is increasingly connected, and it is possible for finance to exploit this ‘connectedness’ (and the technology that underpins it) to meet these many and varied financial reporting needs. But even organisations that have the necessary communications infrastructure in place rarely have the level of software and systems integration it requires. Islands of information remain the order of the day: as many as two-thirds of companies are still unable to link their accounting systems with other business applications such as sales and marketing database or forecasting and analysis tools. As the designated driver for decision support information accountants are acutely aware of this. A survey of attendees at the recent Softworld exhibition (see *Accountancy*, March, p.18) found three out of four intend on integrating their business applications as soon as possible.

This is easier said than done: it’s a complex and costly undertaking. Over the next few years, the emergence of standards and tools for web services (see *Accountancy*, March, p.92) could help make the burden of expectation easier to bear; only time will tell. Meanwhile, finance professionals have to make the best of a bad job. This means working with the financial, operational and transactional systems already in place, and software tools currently available, to extract and disseminate the necessary information as effectively and expeditiously as possible.

Point to Point

For most, this means resorting to point solutions, either by trying to get more from the analysis, budgeting and reporting tools already in place, or by acquiring and installing newer, more sophisticated tools.

After flinging huge amounts of money at enterprise resource planning (ERP) systems, very few corporates now have the will to undertake the implementation of yet another all-singing, all-dancing enterprise-wide application. But that isn’t stopping specialist software suppliers from hailing ‘corporate performance management’ (see *Accountancy*, September 2002, p.48), ‘business process management’ or ‘enterprise performance optimisation’ systems as the next great white hope, or optimistic corporates from buying into it.

It could be ERP all over again. In fact, Nigel Youell, marketing manager for Comshare, a leading provider of business performance management (BPM) software, describes BPM as “the ERP of business management”. In theory, BPM can “link individual processes into a coherent system, allowing businesses to efficiently manage and collaborate on the entire business performance management process”.

It’s all about having fingertip access to a single view of the truth. The ‘continuous performance visibility’ this would bring could help organisations anticipate results, adjust plans and deploy key resources in a supremely efficient manner, all of which would be very good news for the finance departments that are expected to do this with this disconnected hotchpotch of systems presently in place.

Like ERP, corporate performance management (CPM) tools are anything but cheap, and implementations can be complex and time-consuming. According to Youell, a system can cost between US\$50,000 and US\$2.4 m, and requires a major board level commitment in terms of project leadership. Most organisations don’t have the resources to undertake an enterprise-wide BPM system, so they start where the need is greatest. “You have to look at what hurts most, fix it, then look at what else you can do”, says Youell.

Admitting Flaws

You might think a trail of ERP systems that failed to deliver on their promise or run to budget would be enough to make organisations at least a little wary about revealing such past glory, but you’d be wrong. It’s just making them less inclined to bang a big drum boasting about how clever they’re being with CPM. “One of the reasons why it’s so difficult to get organisations to talk about the nuts and bolts of what they’re doing is because it’s an admission of defeat. It means they got it wrong last time,” says Youell — and that affects the share price. “Corporate governance is a significant driver. The board will spend anything to get the numbers right and avoid telling the markets the wrong thing”, he adds.

Which goes some way towards explaining why organisations are prepared to

spend so much money in improving the efficiency and speed of their financial reporting. The need to meet the changing information needs within the business is also a significant driver.

Alan Schmidt, group financial controller at European document solutions provider NRG, explains: “We are looking for a web-enabled financial reporting solution that would allow us to broaden the analysis and use of financial information throughout the organisation. In order to gain greater efficiencies in the reporting process for our operat-

ing companies and head office, we needed one system upon which everything would be based.” NRG has implemented Hyperion Financial Management and Hyperion Analyser as part of an integrated approach to reporting and analysis hoping it will enable its user “to spend more time analysing information than trying to find and verify it”.

Because the solution is web-based, Schmidt also expects it to be more flexible, “providing access to key information not just to our finance personnel, but also those in other parts of the business including

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*Alan Schmidt
Group Financial Controller, NRG*



senior management and marketing”.

Integrated Applications

A similar set of drivers was behind a recent Fortis Health implementation of Predictive Planning, one of a growing range of integrated performance of optimisation applications from ALG (the Armstrong Laing Group). Cathy Jorgensen, Director of Performance Management, felt the disparate databases and traditional budgeting practices they reflected lacked the flexibility the company needed to meet either internal or external reporting requirements. “Flexibility to reforecast and quickly revise plans is important in today’s business climate”, she claims. “By replacing our annual budgeting practices with a more rolling and flexible environment, we will be able to respond more quickly to changes in the market as well as changes in operational strategy”.

Jorgensen expects the move to significantly reduce the time and effort required for budgeting, while enabling new, more collaborative financial planning within Fortis Health. The software resides on a single database, supporting efforts to eliminate ‘data silos’ within the organisation, making it easier to collect and consolidate input from all those involved in the budgeting process.

Rolling Environment

With the implementation of Predictive Planning, Fortis Health will move to monthly re-forecast, doing away with its annual budgeting process in favour of a more rolling environment. “It greatly reduces the time and effort of re-forecasting”, says Jorgensen. “We estimate it will save 2,500 man-hours related to financial planning over the next year.

Predictive Planning is also anticipated to end duplication of activities across departments at Fortis Health. Tasks will be accomplished by the appropriate person at the cost centre level, with data ‘rolled up’



through the various departments. Using the web, cost centre managers will be able to input metric data and interact with the system to perform detailed, multi-dimensional analysis for decision support. Closer alignment between departments is expected as well, as these managers gain more insight into the impact they have on each other and can better collaborate on budgets and allocation of resources.

The integrated information exchange provided through Predictive Planning will also give management the operational information needed to drive down costs in functional areas and further reduce cycle times in the financial reporting process.

While this sounds liked joined up financial reporting, it’s not as joined up as it could be. According to Mike Sherrat, CEO at ALG, unless this increased integration reflects a wider integration and interactivity across the enterprise, someone or something will always be left out of the loop. Simply speeding up the number-crunching process and disseminating the results more widely does not help improve performance management across the enterprise. Sherrat warns: “Finance can no longer be the guardian of numbers, it’s got to be the spirit behind the operations”. [AT](#)

“Flexibility to reforecast and quickly revise plans is important in today’s business climate ... By replacing our annual budgeting practices with a more rolling and flexible environment, we will be able to respond more quickly to changes in the market as well as changes in operational strategy”.

*Cathy Jorgensen
Director of Performance Management
Fortis Health*

Getting to know the Italian Job

The role of the consultant as a chartered accountant, or any other professional, is not identical all over the world. Despite this fact and despite all efforts to move closer to a single global set of accounting standards, the necessary communication with the international client is still and will always remain subject to a different set of rules.

By Sergey Frank



“**B**ella Italia’ is very well known for vacations, culture, music, food and wine. But the way of doing business in Italy is generally less known to foreign business people. According to its regions, different cultures apply in Italian business life : northern Italy is generally very focused and swift in doing business, whereas in the southern parts of the country, the so-called ‘Mezzo-giorno’, business attitudes may be rather more relaxed. In addition, different manners apply in Rome, the capital, compared to the business and industrial centres Milan and Turin in the north of Italy. The scope of diversity is quite wide in Italy’ for example, there is a considerable difference between Milan and Rome-based multi-national accounting firms and their internationally trained management on the one hand and family-organised private accounting firms who practise locally.

Usually the latter companies operate out of the ‘Provincia’, for in-

stance from Veneto, Emilia, Romana or Tuscany. There you may encounter situations in which you discuss business either with the senior partner or possibly to a couple of family members. Nevertheless, and keeping this variety in mind, there are general rules to follow for foreign business people, regardless where their Italian business partner or lawyer is located.

In some, especially southern regions of Italy, time seems to pass more slowly than it does, for example, in the US. This matter of fact does to a certain extent influence business life. It is even more applicable when dealing with public authorities and services. Compared to US standards, in Italy, business life is more relationship-focused. For your Italian partner, the building of a personal relationship is rather important. Thus, invitations for lunch or dinner should enhance the individual relationship. Subsequently, important business should be conducted not exclusively via telephone but be personally negotiated, especially within the initial phase of communication. Food and wine still play a major role in Italian business life and entertaining is regarded as an important part of getting to know your partner.

Italy is well known for its excellent long lasting dinners and you may invite your business partner to these events. However, the amount of time spent for large lunch

breaks has been considerably reduced over the last couple of years. Especially for the new generation of business people, lunch is, as in New York, more functional and time, not food or drink, is of the essence.

Frequently, participants in a meeting may speak simultaneously but this is common practice in Italy. It may surprise you but it is quite standard. In project discussions time may therefore be lost. Flexibility and a certain amount of calculated spare time is required. Generally, Italian business people are very adept in rhetoric and persistency. Negotiating with them may be quite creative because of their flexibility in striking new paths within the fiscal framework as well as pursuing new options. Italians do not approach terms in a dogmatic way but communicate in a rather pragmatic and purposeful manner. In this context, it is perhaps remarkable that they are uncomfortable in articulating critical issues and are unwilling to address them publicly because this may possibly lead the participant to lose face. They generally prefer to paraphrase these issues very carefully.

Traditional firms tend to have a rather strong hierarchy with little visible fraternisation between the ranks. However, communication within the ranks is vital and top partners are in steady communication with associates who play an important role in the decision-making process.

Business hours have changed considerably over the years in Italy. Especially in accounting and consulting services, a nine-to-five schedule is rather rare. Accountants are used to dealing with long working hours. When doing business in Italy, it is advisable to be punctual, reliable, efficient and to display your skills in organising projects as well as in the whole negotiating and follow-up process. Last, but not least, you should emphasise your politeness.

If you do business in Italy you should take the following into account : English written and oral communication is usually standardised, at least, for example, in



Milan, Turin and Rome. This applies especially to the younger generation of accountants and business people also, because of globalisation and the ongoing process of standardisation of accounting terms. Nevertheless, in other parts of the country, English may not be spoken adequately. Therefore, in such cases it is advisable to clarify at an early stage the use of either one or even more interpreters, unless you speak Italian quite well yourself.

Business clothing of Italian business partners is usually very elegant. They tend to wear rather stylish but conservative outfits. As a rule of thumb, you should wear stylish, conservative and fashionable suits. In any event, even when wearing casual wear, your clothing should look smart and elegant and you should definitely avoid looking scruffy.

Concerning the timing of discussions and negotiations you should bear in mind that in August, the holiday month in Italy, many people leave for vacation either in the countryside, the beach or the mountains. In such a period, dealing with public authorities may take some additional time.

Italian bureaucracy is also known for

some slowness, however, this does not, of course, apply across the board to all government agencies and state authorities. Exceptions to the rule apply, especially in the northern industrial parts. However, take into consideration that permissions and licences, which are granted by state agencies, may require some time. When scheduling

“... participants in a meeting may speak simultaneously but this is common practice in Italy. It may surprise you but it is quite standard.

your business agenda and your business trip, you should take these factors into account. Many

reasons exist for this ‘phenomenon’ within the Italian bureaucracy : one of them is the 2,000 year old legal history of Italy. Though new tax laws, for example, are being added continuously to current legislation, the ancient laws, of which some still stem from Roman times, have not been completely superseded. Additionally, the influence of European Union regulations causes even more complexity. But ultimately, doing business in ‘Bella Italia’ is and will remain a pleasant experience. **AT**

Note : Sergey Frank is a partner of Kienbaum Executive Consultants and Managing Director of Kienbaum Ltd., the London office of the Kienbaum Group. He is a worldwide acknowledged author and speaker on international communication issues. www.kienbaum.co.uk

The ideas put forward in this article apply for actual international consultation regardless of where it is taking place. The article aims to educate on different ways of doing business in different countries. This is important since it helps to understand international business. And this conclusion is vital because nowhere in business, especially in international consulting, can so much be gained and lost so quickly as in international transactions and projects. This article was first published in *Accounting & Business*, ACCA’s monthly publication.

Back to Bako

By David Bowden

If you are planning to visit Sarawak this year, start thinking about maximising your visit to East Malaysia and staying a little longer to discover Sarawak's many tourism attributes. Visitors to Kuching need only travel a short distance from the city to escape into one of the state's leading national parks.

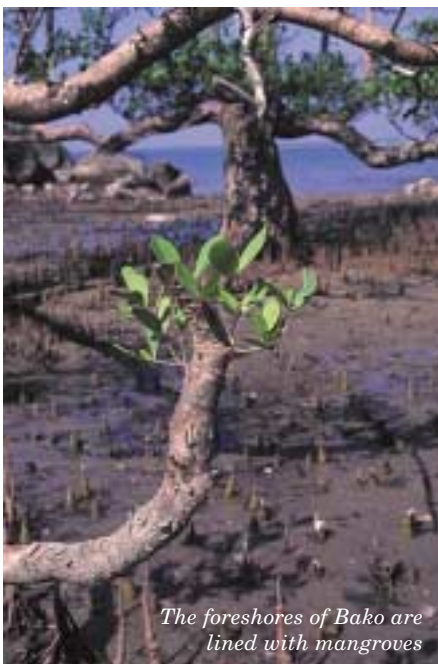
Bako National Park, established in 1957, is situated on the South China Sea coastline, less than one hour's drive from Kuching. Compared to most national parks in Sarawak and South East Asia, Bako is quite small at just 2,742 hectares. Despite its size, the park has fascinated conservationists and nature lovers for years due to its ecological diversity.

Here the picturesque coastline is lined with near vertical sandstone cliffs, rocky headlands and extended stretches of sandy beaches. These beaches are very popular for weekend visitors who come to swim in the warm shallow water and generally to

escape from the pressures of city life.

Millions of years of erosion have sculpted many unique formations such as sea arches and stone stacks that lie just off the coast. Traces of iron minerals in the original parent material have produced layers of hardened pink ironstone throughout the host sandstone. The sandstone also displays unusual honeycomb weathering that gives the rock its unique texture and appearance.

Probably Bako's most unusual attribute is its varied vegetation communities where examples of most major plant communities from the island of Borneo are supported. It's like a miniature botanical gardens for those interested in discovering some of



The foreshores of Bako are lined with mangroves



Long-Tailed Macaque



Explore the park on one of many scenic trails

Malaysia's unique vegetation types.

These range from mangrove, peat swamp and heath to mixed dipterocarp forests. On the plateaus the vegetation changes to a heath-like scrub called *kerangas*. For an island best known for its dense rainforests, the *kerangas* forests are quite dry, low in height and with an open canopy. They are therefore, a little more open to sunlight and are hotter to walk through than the more shaded rainforests.

Here, there are many varieties of carnivorous flowers such as pitcher plants and sundews. An extensive array of orchids is also on display but they may not be obvious to the casual walker. Slow down and discover the flowers.

There are some 150 species of birds found in the park and various other wildlife. Observant nature lovers may be able to spot Silvered-leaf Monkeys, Long-tailed Macaques, Bearded Pigs, squirrels and Mouse Deer in the various vegetation types found throughout Bako National Park.

The rare Proboscis Monkey lives among the mangroves lining the rivers, especially around Telok Paku, Telok Delima and Ulu Assam. Bako is one of the few places that the Proboscis Monkey can be seen and for first time visitors, the huge size of the monkey's nose is a dead give away.

Walking one of the 16 trails is probably the most popular attraction in the park. They are all colour coded and can take from between two hours to two days to complete. All the trails are well signposted and maintained by the park wardens. In all there are about 30 kilometres of trails and those planning to walk all, need to allocate a few days in the park.

Casual walkers need to be aware that some of the trails, especially those through the sparsely vegetated *kerangas* forests can become very hot and walkers need to wear cool clothing, a hat and maintain their fluid intake. Walking in the cooler parts of the day is also advisable.

The park authorities have excellent pamphlets and maps to ensure visitors get to where they plan and to learn about the vegetation communities along the way. Some destinations are also accessible by boat or a combination of walking and boating.

Relaxing by one of the several beaches is also popular especially for the local people

from Kuching. The beach at Park Headquarters at Teluk Assam is very safe for family bathing as it has a long shallow tidal range. Children seem to love spending hours scouring the beach for marine life. The shaded casuarina trees lining the beach are a popular place to retreat from the sun.

As in other Sarawak National Parks, all visitors must obtain permits. This is an easy process and they can be purchased for a mere RM3 (students below 18 pay only RM1) at the departure jetty for the park at Kampung Bako. There are also minimal charges for cameras (RM5) and video cameras (RM10). Kampung Bako is under one-hour's drive from the centre of Kuching.

From the jetty at Kampung Bako all visitors must travel by boat to the Park Headquarters. The 20-minute journey provides guests with their first opportunity to see mangrove forests and fisherfolk using these forests for catching fish. Boat hire is RM30 each way and it is far cheaper to join others taking the same trip and share the cost.

There are several accommodation options within the park ranging from lodges (RM42/room), hostel (RM42/room or RM10.50/bed) to tent camping at just RM4/tent site. Most of these have basic facilities like beds, fans, refrigerator, kettle, eating utensils and either attached or common bathroom facilities.

It is best to book especially during holiday periods and all enquires should be directed to the Sarawak National Parks Booking Office/Kuching Visitors' Information Centre, Tel : 082-248088, Fax: 082-256301.

The facilities at Telok Assam are ad-

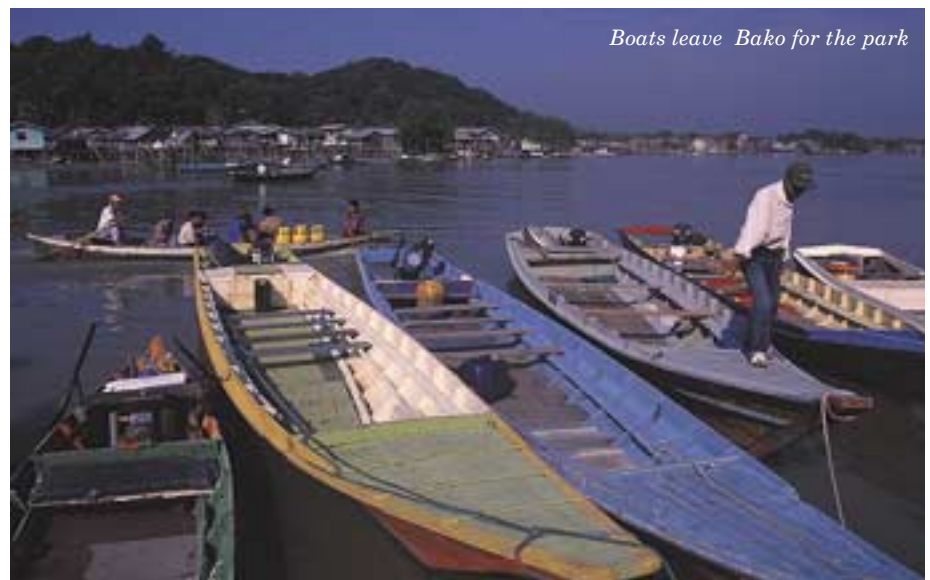


A nice pitcher!

equate, as there is a simple restaurant and a shop selling basic supplies. Many visitors bring in food and other supplies and supplement these with those in the park. There is also an excellent interpretation centre to assist visitors better understand the park. This is also used by local school children in their environmental education lessons.

Bako National Park is a valuable asset for the people of Kuching as it provides a very accessible retreat for those who want to escape into the peace and tranquillity of a natural area. For visitors it offers a quick introduction to the various plant communities of Borneo and the chance to see some wildlife in its natural habitat.

Perhaps the biggest attraction is the park's accessibility to the city of Kuching and that it offers a variety of activities for those who like a peaceful natural retreat. **AT**



Boats leave Bako for the park

RAC 2003

Great Success, Defeats SARS

Under the dynamic leadership of the Regional Accountants Conference (RAC) Chairman, Datuk Dr. Marcus Raja the untiring efforts and determination of the Branch Chairman and Organising Committee members, the Sarawak Branch succeeded in fighting off the threat of SARS culminating with a well organised and well supported two day conference recently at the Crown Plaza Riverside in Kuching.

It was very apparent that the RAC 2003 was one of the very rare conferences where programmes went like clockwork, i.e. they actually started and ended on time. This regional

conference attracted 270 participants and gave members, practitioners, entrepreneurs and academia alike, a rare opportunity to listen to many distinguished speakers on subjects relevant to the theme, "Transforming Sarawak's Economy — Challenges & Opportunities". Among the distinguished speakers were YB Dato' Sri Abg Hj Abdul Rahman Zohari Tun Datuk Abg Hj Openg (Minister of Tourism, Sarawak), YBhg Tan Sri Dato' Abdul Khalid Ibrahim, YBhg Datuk Wong Soon Koh (Minister of Infrastructure, Development & Communications, Sarawak), YBhg Datu Wilson Baya Dandot (Deputy State Secretary, Sarawak) and YBhg Dato' Lee Ow Kim (President of CIMA Malaysia

A memento from the President, Datuk Dr. Abdul Samad to the Deputy Chief Minister of Sarawak, Tan Sri Datuk Amar Dr. George Chan Hong Nam, witnessed by (RAC)Chairman, Datuk Dr. Marcus Raja



Minister of Tourism, YB Dato Sri Abang Hj Abdul Rahman Zohari bin Tun Abang Hj Openg, delivers his speech

Among the VIPs who attended the Opening Ceremony (R-L) David Tiang, Datuk Dr. Marcus Raja, Guest of Honour, Tan Sri Datuk Amar Dr. George Chan Hong Nam, Datuk Dr. Abdul Samad and Manjeet Singh.



Division)

The RAC was sponsored by the Sarawak State Government (Ministry of Finance and Ministry of Tourism) as well as CIMA, ACCA, Microsoft Business Solutions, Soon Hup Group of Companies, Ta Ann Holdings Bhd, IBMS College, Sarawak Tribune and Utusan Sarawak with the support from various other organisations, firms, software providers and the Sarawak Branch.

The conference dinner commenced with the prompt arrival of the Guest of Honour, YB Tan Sri Datuk Amar Dr. George Chan Hong Nam, Deputy Chief Minister, Minister of Finance & Public Utilities and Minister of Industrial Development Sarawak. The dinner was attended by RAC delegates, sponsors, speakers, panellists and guests. **AT**



The Guest of Honour visiting one of the exhibition booths



Wong Swee Shenn from Microsoft Business Solutions, delivers his talk



YB Datuk Wong Soon Koh receiving a memento from Si Kiang Seng



Invited guests at the Opening Ceremony of RAC 2003

Fierce Competition Expected for the National Corporate Report Awards

The National Annual Corporate Report Awards (NACRA) 2003 organising committee would like to see more non-listed companies, public sector entities and other organisations submit their annual reports for consideration for this year's awards. Each year the bulk of the annual reports considered for the awards come from public-listed companies that automatically qualify for preliminary screening before selection for detailed adjudication. Based on the increasing level of competition shown by companies over the years, the organising committee is confident that the competition will be fiercer this year with the increased involvement of non-listed companies and public sector entities. The awards presentation ceremony is scheduled to be held on 4 December 2003.

Year 2003 marks NACRA's 13th year in existence and this year NACRA is jointly organised by the Malaysian Institute of Accountants (MIA), Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA). Each year, one of the three will act as the secretariat for NACRA, with MIA being the secretariat for NACRA 2003.

For NACRA 2003, the annual reports eligible for consideration are those with year ended 2002. The four categories of awards are as follows :

- ① **Overall Excellence Award** — 1 Award
- ② **Industry Excellence Awards** — 11 Awards
- ③ **Presentation Awards**
 - *Best Annual Report in Bahasa Malaysia* — 1 Award
 - *Best Designed Annual Report* — 1 Award
 - *Environmental Reporting* — 1 Award
- ④ **Special Award for Non-Listed Organisations** — 1 Award



NACRA was created to recognise and encourage excellence in the presentation of financial and business information in an organisation. In response to the government's call to continuously improve the standard of corporate governance in organisations and in line with the KLSE Listing Requirements, an additional criterion on corporate governance has been included in the selection of winners. Corporate reports that will be reviewed for awards' consideration must include the composition of audit committee, its terms and reference and the audit committee report that contains a summary of the activities of the audit committee and

the internal audit committee. The financial statements should also comprise statements by the board of directors on compliance with the Malaysian Code on Corporate Governance, director's responsibility for preparing the annual financial statements and the state of internal control of the company.

For NACRA 2003, the adjudication process will be supervised and moderated by an Adjudication Committee comprising a panel of 50 representatives from the KLSE, various accounting firms, academic institutions as well as commerce and industry. All submissions must comply with stringent criteria to maintain a high level of quality, ethics and excellence.

While KLSE listed companies automatically qualify for the preliminary screening, non-listed companies, public sector entities and other organisations that wish to participate in NACRA 2003 are required to complete an entry form to be submitted together with 30 copies of their published annual reports to the NACRA Adjudication Committee by 31 July 2003. **AT**

For more information about NACRA 2003, please contact :

The Secretary

NACRA 2003
 Organising Committee
 c/o Malaysian Institute of Accountants
 Dewan Akauntan
 2 Jalan Tun Sambanthan 3
 Brickfields
 50470 Kuala Lumpur
 Tel : 03-2279 9200
 Fax : 03-2274 1783

MIA-SMIDEC Partnership

The Malaysian Institute of Accountants (MIA) is offering the Small and Medium Industries Development Corporation (SMIDEC) its expertise in assisting and developing small and medium scale enterprises under SMIDEC's development programme.

The President of MIA, Datuk Dr. Abdul Samad Haji Alias said there is a greater scope for co-operation between MIA and SMIDEC, as both bodies consider SMEs the back-bone and growth engine of the nation's economy.

"I think there are excellent opportunities for our member firms to render their expertise

and knowledge in nurturing the SMEs under SMIDEC's development programme," said Datuk Abdul Samad during a courtesy visit to the SMIDEC office in Petaling Jaya on 21 May 2003.

During the one hour dialogue, Datuk Dr. Abdul Samad Haji Alias also commended the various efforts and programmes undertaken by SMIDEC in nurturing and helping SMEs under its development programme.

"SMEs in Malaysia are not only involved in manufacturing and trading activities but also in various service related activities, and need to be guided accordingly so that they can embark on the necessary transformation in all sectors of our economy by increasing their knowledge inputs and their capabilities in managing their finances. **AT**

and their capabilities in managing their finances. **AT**



Spurring strategic cooperation ... Misran Basir (left), Director of Financial Assistance and Monitoring Division of SMIDEC presenting a gift to Datuk Dr. Abdul Samad Haji Alias



Meeting with SMIDEC ... (left to right) Suraya Kulop Abdul Rahman, Nik Mohd Hasyudeen Yusoff, Fozian Ismail, Misran Basir, Datuk Dr. Abdul Samad Haji Alias, Raymond Liew, Abdul Rahim Abdul Hamid and Lim Eng Seng

Breakfast Talk on Impact of WTO Draws the Crowd

An increasingly competitive business environment poses challenges to industries and failure to respond will exact a price and create an adverse reaction towards 'free trade'. For Malaysia, it is in our interest to ensure that the international trade environment remains fair and equitable and continues to be actively engaged in the negotiating process to ensure changes or new rules have sufficient flexibility to accommodate our interests.

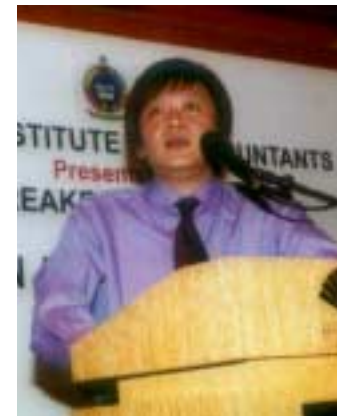
To enable accountants and managers to keep abreast of the developments in the international scene, a breakfast talk was organised by the Malaysian Institute of Accountants (MIA) to give an overview of trade liberalisation, especially

in the professional services sector. Speaker, Nik Mohd Hasyudeen Yusoff, who is a Council Member of MIA, also focussed on identifying challenges, opportunities and competition facing Malaysian accountants. The talk, which was well received with 65 participants, also saw speaker Loh Kok Leong of Partner Kerr Foster (PKF) focus on the importance of networking and seeking opportunities outside the country, especially for small and medium-sized practitioners. Loh also shared his firm's experiences on the benefits of international networking.

The breakfast talk was sponsored by Microsoft Business Solutions. **AT**



Nik Mohd Hasyudeen Yusoff



Loh Kok Leong



Some of the participants during the talk



MIA Toastmasters Club

The Mission of Toastmasters International

Toastmasters International is the leading movement devoted to making effective oral communication a worldwide reality.

Through its member clubs, Toastmasters International helps men and women learn the art of speaking, listening and thinking — vital skills that promote self-actualisation, enhance leadership potential, foster human understanding and contribute to the betterment of mankind.

It is basic to this mission that Toastmasters International continually expands its worldwide network of clubs thereby offering ever greater numbers of people the opportunity to benefit from its programmes.

The Mission of the MIA Toastmasters Club

The mission of our member club is to provide a mutually supportive and positive learning environment, in which every member has the opportunity to develop communication and leadership skills, which in turn fosters their self-confidence and personal growth.

The Toastmasters Experience

Perhaps due to the nature and pace of business today, people tend to be more comfortable communicating via electronic mail or telephone (accountants especially) rather than face to face communication. In fact, the mere thought of speaking to a small group of three to four people is enough to make the stomachs churn of some of our MIA members. However, you cannot totally avoid such a situation.

Whether a practitioner is negotiating an increase in his chargeable fees with a difficult client or having to do a high-powered business presentation with the hope of securing an important engagement, the ability to speak with confidence is of paramount importance. On another level, an individual who is being interviewed say, for a new job also needs to outshine his potential rivals in the department of confidence all things being equal.

One of the surest ways to develop your inner and outer confidence is to master the

skill of public speaking. But, being involved in MIA Toastmasters Club is more than just that! Here, you will learn how to successfully formulate, express and sell your ideas and yourself (remember the job interview scenario) and conquer the nervousness you feel when called upon to speak.

Rest assured, you will also acquire the

as other formal courses in public speaking. Members learn by studying the manuals obtained from the US, practising and assisting each other in bi-weekly meetings. We all learn by performing and observing our fellow club members.

Meetings are held on the 1st and 3rd



fundamental ability to listen and to evaluate your fellow Toastmasters' ideas and you will in no time master the leadership skills that are necessary to gain the confidence and respect of your friends and colleagues. To take up this challenge, you must take the initiative to join our Competent Toastmasters (CTM) programmes without any further delay.

Joining the Institute's Toastmasters Club and enrolling in the CTM programmes, will no doubt take you on a journey of not only improving your quality of life as a Chartered Accountant but broadening your circle of friends among fellow members. With over 8,000 members in the Klang Valley, we certainly look forward to active participation with a view to foster closer interaction rather than merely seeing each other during the Institute's Annual General Meetings said the Club's President, Raymond Liew.

Do bear in mind that the Toastmasters programmes of your club are not the same

Thursdays of each month. For example, the dates for the July and August meetings are 3rd & 17th of July and 7th & 21st of August 2003. Each meeting commences at 6.30pm and ends at 9.00pm. Interested members can contact Cik Shuhairah at 603-2279 9200 (Extension: 323) to register themselves for the coming meeting. The venue is MIA's office in Brickfields, Kuala Lumpur.

For your information, one of our lively sessions is the table topic session. Everyone will be given the chance to build their "quick thinking" skills, as participants are given one to two minutes to speak on selected general topics.

In addition to the table topic session, it is encouraging to note that many of our new members are eagerly pursuing their CTM programmes, all starting off with their icebreaker speech. For someone who wants to understand another person better, this is a session not to be missed! We believe everyone will benefit from the

evaluation session that offers each of the participants the chance to learn and improve their presentation skills. As one of our new members said, "Hey, this may be a good way to learn English too". In short, the objective of the MIA Toastmasters' Club is to help you chart your own self-development programmes based on your own comfortable time frame, echoes the Club's Vice-President of Education, Johnny Yong.

We certainly hope that this club will cover impressive territory in time to come. The application for the charter is already in place. The Club's Vice-

ables me to acquire the ability to speak instantly without the need to prepare a speech. Definitely, a plus point for my CV." — says Club's Sergeant-at-Arms, Jason Boey.

"I've longed to join a club such as this, as it gives me a platform to improve my ability to speak more fluently and eloquently. I have attended a number of other similar clubs but MIA Toastmasters Club is somewhat different and it gives me that confidence — I simply cannot wait to be a member of this distinguished club" — said Marcus, a guest for the evening.

The Club's Vice-President

"... Toastmasters Club is a place for social get-togethers, perhaps a place for men and women to meet"

Raymond Liew, MIA Toastmaster President

President for membership, Steven Lim said, "Our recruitment drive is already in full force and here is an invitation to everyone out there — Come, join us ... we can't wait to hear from you!!!"

Here are some of the comments received from fellow Toastmasters who participated in some of these meetings:

"After the first icebreaker speech, I felt so much better and believe it or not, the nervousness is going... going... gone!" — said the Club's Secretary, Chew Yong

"Hey, this is a great place to socialise as the people here are so very friendly. I can improve on my vocabulary too ..." says, Grace Tan, a new member.

"I simply love the session of impromptu speaking as it en-

ables me to acquire the ability to speak instantly without the need to prepare a speech. Definitely, a plus point for my CV." — says Club's Sergeant-at-Arms, Jason Boey.

for Public Relations, Karunanithi says, "This is a club that is very different from other clubs in the sense that most members are accountants by profession and we are here not only to improve on our ability to speak in public but to share our experiences by way of public speaking. Hey, to the non-accountants, you may well be receiving free advice from the accountants! What more can you ask for?"

In a conversation, someone imitates that a Toastmasters Club is a place for social get-togethers, perhaps a place for men and women to meet. Others echo that it is a platform to improve one's speaking skills while another group indicates that the programmes helps one to acquire better listening skills



Members during one of the Toastmasters sessions

and also to improve one's English. In one of the Toastmasters Meetings, our Club's President, Raymond Liew agreed to all the above but emphasised that it goes beyond and this includes the ability to conquer the inherent fear of being able

to stand in front of an audience and deliver a speech however brief! How true!

"You can have everything in life you want if you will help enough people get what they want" — Zig Ziglar, Toastmasters' 1999 Golden Gavel Recipient. **AT**

Penang

Additional Materials in the Library

FOLLOWING THE CIMA Launch of the Special Exemptions for MIA members, Danny Tan, CIMA Penang Branch President, presented a set of CIMA study packs to Steven Teh, MIA Branch Chairman. Steven thanked Danny and CIMA for making available the study materials at the branch library for the benefit of local

accounting graduates who are keen to further their professional development with one of the recognised professional qualifications. Also present were committee and sub-committee members Adelenia Lestari Chong, Andy Chew, Lindy Ong and Lee Min On, President of MIA (Northern Branch) Toastmasters Club. **AT**



From left : Lee Min On, Lindy Ong, Danny Tan, Steven Teh, Adelenia Chong, CH Loh and Andy Chew at the presentation

Sabah Branch Chairman Visits Labuan

Branch Chairman, Alexandra Thien and the Labuan committee recently met up with Labuan branch members for a dialogue session and dinner. While there, they also called on the CCM and visited MNI Offshore, managed by Annie Undikai, a fellow member and coordinator of the MIA Labuan Chapter CPE. **AT**



Alexandra Thien addressing chapter members in Labuan



Raymond Goh posing his query and concerns as a member during the Chapter Dialogue with the Sabah Branch Chairman



The Branch Chairman and Chapter Committee members visited the office of CCM, Labuan

Kedah & Perlis

Lembaga Hasil Dalam Negeri Briefing Sessions for Self Assessment — Year 2004

Holiday Villa Hotel, Alor Setar, 29 April 2003



(L-R) Lim Han Ho, MIA Kedah & Perlis Branch Treasurer and distinguished guests ...Tuan Haji Abd. Aziz Bin Zakaria, Wan Noor Mazuin binti Wan Aris, Public Relations Officer; Hajjah Zainab, Ketua Unit OG; Norbani bt. Hashifudin, Pegawai Unit OG and Ismail bin Ariff, Ketua Unit SG from Lembaga Hasil Dalam Negeri, Alor Setar together with Chan Boon Jiunn, Taxation Committee Chairman and Jamilah Shuib, MIA Kedah & Perlis Branch, Honourable Secretary



Poh Lee Tee, MIA Kedah & Perlis Branch Chairman presenting a memento to Mohd. Nor Bin Lamzah, Tuan Pengarah, Lembaga Hasil Dalam Negeri, Alor Setar at the LHDN briefing session for Self-Assessment — Year 2004



MALAYSIAN ASSOCIATION
OF ACCOUNTING ADMINISTRATORS

Incorporation and Aim

The Malaysian Association of Accounting Administrators (MAAA) was incorporated in 1990 with limited liability under Section 16(4) of the Companies Act, 1965 in recognition of the two-tiered nature of the accountancy profession. MAAA (previously known as Malaysian Association of Accounting Technicians) is a company sponsored by the Malaysian Institute of Accountants (MIA).

Main Objectives

- To provide a qualification to be known as Accounting Technicians/Administrators for persons employed on duties customarily undertaken by assistants to accountants registered with the MIA.
- To provide an organisation and membership for such persons who are desirous of acquiring such qualification and persons who are granted such qualification.
- To promote in the public interest the technical competence of such persons engaged in positions and performing the functions of accounting technicians/administrators.

Council Members (2003 Term)

Elected Members

Izhar Abd Kahar (*President*); Koo Yew Fook, Allan (*Vice-President*)
Cheah Foo Seong; Chin Wah Yin; Kasim Darus; Lim Ah Leck; Low Han Men, Aric; Mahadevan s/o Gengadaram; Mok Kam Seng; Panneer Selvam; YM Raja Noorhana bt Raja Harun; Wong Chee Kheong; Yong Yoon Kee

MIA Nominated Members

Manjeet Singh s/o Santokh Singh; Mohd Sarif bin Ibrahim; Assoc. Prof. Dr. Nafsiah bt. Mohamed

Secretariat Office

Malaysian Association of Accounting Administrators, Dewan Akauntan, 2 Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur
Tel : 03-2279 9200 Fax : 03-2274 1783 e-mail : maaa@mia.org.my

Announcement to Members

Please notify the Association in writing (by mail, fax or e-mail) of any changes in respect of postal and business addresses, contact numbers, e-mail, etc.

MAAA 13th Annual General Meeting

On 17 May 2003, the Malaysian Association of Accounting Administrators (MAAA) held its 13th Annual General Meeting at the MIA main boardroom.

The meeting commenced with the adoption of the Financial Statements of the Association, re-election of the Council and re-appointment of the Auditors.

The President, Izhar Abd

Kahar chaired the meeting, updated members on the progress of the Association and the Council answered some of the queries posted by the members. Members also had the opportunity to obtain more information on the activities and status of some outstanding matters from the Council in the meeting. Among the issues raised were regarding the

Good Response at MAAA Exhibition Booth

The Malaysian Association of Accounting Administrators (MAAA) was pleased with the large turnout of students and their parents who visited its exhibition booth at the recent Sabah Accountancy Week organised by the Malaysian Institute of Accountants (MIA) Sabah Branch. The exhibition enabled MAAA to create an awareness of its existence and

to showcase the Association's Diploma in Accountancy, which will be launched soon. The Diploma will provide an alternative qualification for those interested in pursuing an accounting related career. The exhibition was officiated by the Assistant Minister of Finance, Datuk Hajiji Mohd Noor, who represented the Chief Minister of Sabah. **AT**



Datuk Hajiji Mohd Noor (centre) listening attentively as Mok Kam Seng (seated) explains what MAAA has to offer. Looking on are Alexandre Thien, MIA Sabah Branch Chairman (right) and Lam Kee Soon, MIA Council Member



Mok Kam Seng and Kasim Darus, MAAA Council Members manning the exhibition booth



From left ... Kasim bin Darus, Koo Yew Fook (Vice-President), Izhar Abd Kahar (President), Mok Kam Seng and Assoc. Prof. Dr. Nafsiah Mohamed

amnesty programme, the MAAA examination and the MIA qualifying examination.

The Council would like to take this opportunity to thank those

members who had taken time to attend the meeting and to record their appreciation to all the members' for their continuous support for the Association. **AT**

New Appointment



The Association of Chartered Certified Accountants (ACCA) is pleased to announce the appointment of Dato' Khalid Ahmad (pix) as President of the Malaysia Advisory Committee (MAC). He takes over from Abdul Rahim Abdul Hamid who has stepped down after serving with distinction for over three years. Dato' Khalid, who has been a member of MAC for the last three years, will represent ACCA at official functions and also oversee the formal transition to the new ACCA Society in Malaysia. The ACCA has 27,500 members, affiliates and students in Malaysia. **AT**

Strategic Leadership in the 21st Century



Being responsible for strategic direction in a company has probably never been as challenging. Take the 21st century challenges such as the aftermath of September 11, Iraq war, globalisation, recession, stock market depression, global terrorism, SARS — you name it, they're there. What can companies do to face these challenges? Members of CIMA recently had the opportunity to listen first-hand to Mike Freedman, the author of *The Art and Discipline of Strategic Leadership*, at the CIMA International Speaker Series programme held in Petaling Jaya in May.

Freedman believes that organisations should not just have a contingency plan in place in case events hit them but must do preventative thinking in developing their strategy to try and anticipate events and their impact on their organisations; one should not get “caught with one's trousers down.” He thinks that the weakness in today's organisations stems from merely responding to day-to-day events. In many of the failures that we see today — Enron, Arthur Anderson, Xerox, Marconi, AOL, Time Warner, Vivendi, the ‘dot.coms’ and others — the reasons are :

- No set beliefs and values guiding decision making and behaviours.
- Strategy was inherently weak and unsustainable.

- Failure to monitor and adjust to external world.
- Strategy was sound but implementation was poor.
- Strategic leadership was weak, ill disciplined and focused on short term goals.
- Expediency ruled — or did the stock markets?

Can it get worse? Freedman said, “Of course! Lonely CEOs in stormy seas need as their compass and anchor a clear and robust strategy and first rate leadership team. Without them, it will get worse.”

Strategy is one of the most used and abused words in the corporate lexicon. Rarely will you find any two executives, consultants and academicians who agree on its definition. According to Mr Freedman, ‘strategy’ means ‘the framework of choices that define the nature and direction of an organisation.’ This definition and the activities that follow it have been used for over 20 years around the globe with all types of organisations. There are five phases in the strategy process : *Strategic Intelligence Gathering and Analysis, Strategy Formulation, Strategic Implementation Planning, Implementation and Monitoring, Reviewing and Updating*. The choices in the framework relate to what products and services will be offered and not offered, what markets will be served and not served, and what capabilities are needed to take products to markets.

“It's one thing for a leader to be able to come up with strategies, but the real test is the implementation of the strategies.” Freedman emphasised, “Leaders need to have excellent communication skills so that all employees are able to relate to the strategies and accept ownership.” He pointed out that companies should not attempt to implement any strategy until they have the team leadership or the process would take longer and run into higher costs. He advocated that strategies be reviewed every three or four months instead of on a yearly basis so that you can take charge of events and not let events drive you.



Mike Freedman (right) receiving a token of appreciation from Lee Son Chee ACMA, Chairman of the CIMA Management and Professional Development Committee

The following strategic thinking competencies are guides for CEOs :

- **Conceptual strength** — the ability to think incisively and systematically about abstract matters.
- **A holistic perspective** — the ability to see the whole picture without being constrained or misled by its various parts.
- **Creativity** — the ability to think out of the box, to come up with radically new ideas and to move beyond existing constructs.
- **Expressiveness** — the ability to translate abstract thinking about the organisation into clear words and pictures that are understood by others.
- **Tolerance for ambiguity** — the ability to analyse effectively even when the information available is incomplete or conflicting, or when there is great pressure to adopt a particular solution.
- **A sense of stewardship for the future** — the willingness to consider options that may sacrifice short term gain to protect the organisation's resources over time. **AT**

Note : Mike Freedman is President of Kepner-Tregoe, Inc., a management consultancy company that operates in 40 countries, including Malaysia. He co-authored the book on *The Art and Discipline of Strategic Leadership* with Benjamin B. Tregoe. For more information on the next CIMA International Speaker Series programme, please call 03-7803 5531 or e-mail kualalumpur@cimaglobal.com.

Claire Ighodaro is the new President of CIMA

Following CIMA's Annual General Meeting in mid-June and election by the Institute's 136,000 members and students, Claire Ighodaro (pix), Finance Director Broadband, British Telecommunications PLC is now President of CIMA worldwide. Claire is the first female and the first black person to lead CIMA.

Claire Ighodaro has, as a UK Trade Ambassador, led successful overseas trade missions on behalf of the UK Department of Trade and Industry and the Telecoms Industry Association. She is also a Board member of the London Employment Coalition. She has been a Council Member of CIMA since 1995.

Claire is a Chartered Management Accountant who commenced her business career in 1979, with Otis Elevators PLC in London and joined British Telecommunications PLC in 1984.

She has also served as Chair of CIMA's International Committee during which time she helped set up an accounting institute in Poland, and was also involved in a new institute in Russia as well leading BT's investment in and support of, CIMA's UK schools' business management competition.

She has held a number of posts in BT in-



cluding Programme Manager for BT's Work Management project, Financial Controller for the North East, based in Newcastle upon Tyne; Controller, Financial Systems for BT's Worldwide Networks; Head of BT Group Quality and Director, Networks and Infrastructure Programme Office at BT joint venture, Viag Interkom GmbH in Munich.

In August 2000 she became Vice-President, Finance, BT Openworld, which involved financial management and control of the UK's first mass market broadband internet launch, and of portal, channel and interactive TV development, partnerships and joint ventures. She is currently BT Group, Broadband Programme Finance Director.

Claire Ighodaro is married with three daughters, and enjoys walking, music, cookery, and supporting her family at chess competitions. She is an active supporter of charities for the homeless. **AT**

Henley Management College Partners CIMA in Fast-Track MBA

CIMA has launched a ground-breaking scheme to enable members to enjoy a fast-track route to the Henley Management College MBA. Henley is currently ranked in the top 30 business schools worldwide and this is the first time it has partnered a chartered professional body. It is offering over 50 per cent exemptions to CIMA members who meet its standard admission requirements.

"The CIMA qualification focuses on strategy grounded in financial skills and understanding, making it a great partner for a world-leading MBA," said Robert Jelly, CIMA's Director of Education. "Henley's

commitment and relevance to business today provides an excellent match for members eager to develop in senior executive management roles. This exciting initiative means that our members will be able to complete the Henley MBA in significantly less time than other participants, which is great news for members and also great news for employers."

The Henley MBA will provide CIMA professionals with :

- an internationally recognised MBA qualification;
- focus on leading edge management

through relevant development and learning;

- consolidation of analytical decision making skills; and
- knowledge, skills and information to take on a wider breath of responsibility within senior management.

The scheme will enable candidates to enter the final part of the MBA after they have completed a workshop and assessment. The *Financial Times* ranked Henley in the top 10 schools in Europe for salary increases, most sponsored students, most experienced intake and graduates still working for their original company. Information about the scheme can be found on both the CIMA and Henley websites. Visit www.henleymc.ac.uk/mba or www.cimaglobal.com for details. **AT**

New CBA Centres for CIMA

Three new **Computer-based Assessment (CBA)** centres have been set up in Kuala Lumpur and Penang. This brings the total to four CBA centres, including the CIMA office in Petaling Jaya. CBA centres are where CIMA students can take their assessments for the Foundation Level subjects of the CIMA examination, as an alternative to the written examinations held in May and November every year. The advantages of CBA are instant results after the assessment and the convenience of choosing your own assessment date. The three new CBA centres are *Warisan Global Sdn Bhd*, *NIIT CATS* and *Institute Latihan FTMS-ICL* in Kuala Lumpur, and *Institut Perkim-Goon* in Penang. **AT**

Bridging Course for New Accounting Graduates



A specially tailored course has been organised for all Malaysian Graduates of an Australian Accounting Degree Programme. This course, which is scheduled for twice a year in April and October, is designed to equip young Associate members with Malaysian practices. This practical course on the Malaysian situation covers key areas that will be a bridge to their working life in Malaysia, such as major principles, procedures, documentation, forms and deadlines.

The 2-day course covers one session each on Malaysian Company Law & Secretarial Practice and Malaysian Taxation. The speakers are experts in their own fields. It only costs members RM75 per session. Positive feedback has been received from participants who attended the session and they were grateful to CPA Australia for organising such a course as the

sessions gave them an overview of the tax and company law situations in Malaysia which they found very useful in their of-

fice work and their quest for employment. The next Bridging Course is scheduled for 15 & 16 October 2003. **AT**

New Champion for CPA Australia Challenge Trophy

HELP Institute emerged as the new Champion at the recent Inter-Varsity Sports Tournament 2003. Sepang Institute of Technology was the runner-up.

Held on Saturday, 12 April 2003, about 300 participants representing 10 institutions of higher learning all over the country took part in the various events at the Matsushita Sports Centre, Shah Alam. This year the popular events were football, badminton, basketball and table tennis. Datin Yasmin Abdullah, wife of YBhg Dato' Azmi Yusof, Minister of Rural Development, officially declared open the Sports Tournament by releasing 300 balloons into the air followed by a gunshot.

The Tournament was organised to foster greater integration among accountancy students from various institutions of higher

learning. Students are also encouraged to be all rounders and the Tournament provides them with an avenue for such development.

After a fierce morning of competition at the indoor arena and out on the track and field with the scorching heat, everyone was excited with the prize giving ceremony to find out the winner of the Challenge Trophy. Lim Lai Seng, Councillor of CPA Australia Malaysia Division gave away the prizes to the winners. The Young Professional Group (YPG) representing CPA Australia participated in various events and won the basketball event.

The institution that wins the Trophy for three consecutive years gets to keep the Challenge Trophy. So it looks like next year will see another fierce competition. **AT**



Winners of the tournament

Dato' Zainal Abidin Putih is New MASB Chairman



Dato' Zainal Abidin bin Putih, Joint Chairman of Ernst & Young Malaysia, has been appointed as Chairman of the Malaysian Accounting Standards Board (MASB). Dato' Zainal takes over from Raja Datuk Arshad Raja Tun Uda, whose term expired on 30 April 2003.

The appointment, which is for a three-year term until 30 April 2006, was made by the Minister of Finance in accordance with the provisions of the Financial Reporting Act 1997.

Dato' Zainal is a Chartered Accountant of the England and Wales Institute (ICAEW). He joined Hanafiah Raslan & Mohamad in 1972 and was appointed as Managing Partner of Arthur Andersen in 1990 and later as Joint Chairman of Ernst & Young in July 2002.

Dato' Zainal was Past President of the Malaysian Association of Certified Public Accountants in 1989 and was Chairman of Mentakab Rubber Company Berhad. He also served as a member of the Malaysian Communications & Multimedia Commission. Presently, he is a Director of Esso Malaysia Berhad, Tenaga Nasional Berhad, KUB Malaysia Berhad and a Trustee of the National Heart Institute Foundation. **AT**

MASB Defers Date of Proposed Standards on Financial Instruments and Unit Trusts

The Malaysian Accounting Standards Board (MASB) recently announced its decision to defer the intended date for the implementation of its standards of Financial Reporting by Unit Trusts. The intended date of implementation was initially planned for 1 July 2003.

In a statement issued to the Institute recently, the MASB clarified that the deferment is necessary due to the current revision of Financial Instruments standards (IAS 39 and IAS 32) undertaken by the International Accounting Standards Board (IASB). The IASB is reviewing these two standards and will be issuing revised standards by the third quarter 2003. The revision has an impact on the proposed standards currently being reviewed by the Malaysian accounting body, namely on **MASB ED35 *Financial Instruments — Recognition and Measurement***, and **MASB ED26 *Financial Reporting by Unit Trusts*** and may require consequential changes. The proposed standards were last issued as exposure drafts for public comments.

MASB ED 35, *Financial Instruments — Recognition and Measurement* was exposed to the public for comments in March 2002. This proposed Standard, based on IAS 39 (revised 2000), was deemed to be one of the more complex standards issued by International Accounting Standards Committee (now replaced by IASB). It puts into place rules on recognising and measuring financial assets and liabilities. The exposure period lapsed on 21 September 2002, but was followed by industry meetings on the issue.

According to the MASB, the timing of its new standard on financial instruments would hinge on the completion of the revisions of IAS39, which is expected to be in the third quarter of 2003. An implementation of the earlier intended date of 1 July 2003 for the MASB Standards would have to be deferred to the third quarter of 2004.

The MASB also clarified that the issuance of a unit trusts standard will have to be deferred as well. The proposed standard on unit trusts was earlier targeted for issuance in July 2003 but has had to be delayed following similar changes to IAS39. The MASB has decided to review the unit trust proposed standards in light of this development and plans to issue the standard by the third quarter of 2004.

MASB ED 26 prescribes guidance for financial reporting for unit trusts. The proposal was to streamline valuation of units held under trust at fair value, a concept upon which IAS32 and 39 were propagated. In this draft, the MASB also proposed that units held by unitholders in trust funds be recorded in equity similar to those treated for shares held by shareholders in a company. A proposal was made by the IASB to re-classify contributions from unitholders from that of being an equity of the trust fund to that of a liability. **AT**

Two New Accounting Standards Effective January 2004 (MASB 31 & 32)

The Malaysian Accounting Standards Board (MASB) recently issued another two new Standards for application by entities in Malaysia. The two new Standards — MASB 31, *Accounting for Government Grants and Disclosure of Government Assistance*, and MASB 32, *Property Development Activities*, will take effect from 1 January 2004.

The Standard on Government Grant provides guidance for companies on the accounting treatment for government assistance and ensures consistency in disclosing information regarding the benefits received from the government. This Standard is similar to International Accounting Standards IAS 20 issued by the International Accounting Standards Committee (IASC) and had undergone MASB's due process before the Board reached a decision to issue it as an approved accounting standard.

Dato' Zainal Abidin Putih, the new Chairman of the MASB said, "The Standard adopts a similar approach to IAS 20 in recognising government grants as income over the period of the grant to match against the related costs, for which the grant is intended to compensate".

Explaining the details of the Standard, Dato' Zainal said, "For non-monetary government grants, such as land and other resources, a company should assess the fair value of the non-monetary asset and to account for both the grant and asset at

that fair value. No longer will the company use nominal value for the government grants received. This approach provides greater relevance as to the future economic benefits expected from the non-monetary grants".

The Board is also issuing another MASB on property development activities. Dato' Zainal said, "This Standard is unique as there is no comparable international accounting standard. The original Standard, *MAS 7 Accounting for Property Development*, was developed by the local professional bodies. The principles of MAS 7 were used as a basis for the development of MASB 32 and the Board builds upon it clearer guidance on how companies should account for the revenue and expenses related to the development activity. The Board felt that an illustrative example will assist prepares in understanding the application of the Standard and had decided to include it as an Appendix".

"Of particular significance to property developers is the issue of land banks which the Standard mandates such land bank to be classified as non-current assets valued at cost less any accumulated impairment losses. Previously, such land banks were reported at cost or revalue amounts. Under the new Standard, a company will no longer revalue its land bank but be required to assess for any impairment at balance sheet date. Company that had previously carried the land bank at revalue amount shall continue to retain the amount as its surrogate cost," added Dato' Zainal.

MASB 31 — *Accounting for Government Grants and Disclosure of Government Assistance*

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. These grants can either be shown as (i) deferred income or (ii) deducted from the carrying value of the asset. How-

ever, if the second option is chosen, an entity shall disclose additional information similar to setting up the grant as deferred income.

Grants related to income are government grants other than those related to assets and shall be presented as a credit in the income statement, either separately or under a general heading such as "Other income". Alternatively, these types of grants should be deducted in reporting the related expenses. If the alternative approach is adopted, an enterprise should disclose a reconciliation of the related expense before and after deduction of the grant.

This Standard also provides guidance on the accounting treatment for revocation of government grants.

MASB 32 — *Property Development Activities*

This Standard shall apply to entities engaged in property development activities including those governed by the provisions of the housing Development (Control and Licensing) Act 1966, whether or not such operations are their main activities.

This Standard has been extended to include the development of vacant lots for sale. Such vacant lots may be for the development of homesteads, hobby farms, orchards etc besides for the construction of buildings.

This Standard prescribes that land held for property development shall be classified as non-current assets where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. These lands shall be carried at cost less any impairment losses. The change in the classification of the land held for property development to current asset shall be at the point when development activities had commenced and where it could be demonstrated that the development activities could be completed within the normal operating cycle. **AT**

The following persons are now entitled to use the word 'Accountant' upon their admission to the Malaysian Institute of Accountants, in accordance with Section 22 & 23 of the Accountants Act 1967.

CA — Chartered Accountant
AM — Associate Member

Registration of Accountants

AS AT 27 MAY 2003

JOHOR DARUL TAKZIM	
Batu Pahat	
Tan Boon Chin	21212/CA
Johor Bahru	
Goh Shen Lin	21213/CA
Irwan Bin Johari	21145/CA
Kluang	
Teo Lay Ha	21204/CA
Kota Tinggi	
Wong Chee Loong	21216/CA
Masai	
Khairul Rashid Bin Abdul Hamid	21157/CA
Ong Siaw Eng	21220/CA
Pontian	
Yu Siew Har	21149/CA
KEDAH DARUL AMAN	
Kulim	
Aizan Binti Ahmad	21196/CA
Sintok	
Samihah Bt Saad @ Ismail	21199/CA
MELAKA	
Jasin	
Shahrul Azuwar Bin Abdul Aziz	21214/CA
NEGERI SEMBILAN DARUL KHUSUS	
Seremban	
Mohd Ali Bin Yusof @ Ismail	21221/CA
PAHANG DARUL MAKMUR	
Kuantan	
Khairunnisa Binti Wahiduddin	21159/CA
PERAK DARUL RIDZUAN	
Ipoh	
Abdul Aziz Bin Mokhtar	21142/CA
Sitiawan	
Zalilatulkama Binti Sulaiman	21203/CA
SARAWAK	
Kuching	
Catherine Anak Umbit	21177/CA
Magdalene Chia Ling Ling	21179/CA
S Paramaguru A/L Subrayan	21211/CA
Thomas Anak Wilson Kudang	21171/CA
Yee Chin Hua, Doreen	21218/CA
Miri	
Amy Yong Ee Mei	21224/CA
SELANGOR DARUL EHSAN	
Ampang	
Wan Yiing Yiing	21185/CA

Wong Wai Lam	21172/CA	Salahuddin Bin Md Sah	21200/CA
Bangi		Shahril Bin Ibrahim	21178/CA
Abdul Rahim Bin Ahmad	21194/CA	Shamsuddin Bin Abdullah	21146/CA
Batang Berjuntai		Shamsul Akmal Bin Abd. Aziz	21162/CA
Noorazita Binti Ilham	21181/CA	Sim Kay Wah	21209/CA
Batu Caves		Thong Siew Fong	21148/CA
Intan Shafinaz Binti Mohd Shariff	21167/CA	Wong Soon Yan	21207/CA
Ng In Huwa	21225/CA	Yap Choon Piao	21164/CA
Razlan Bin Abdul Razak	21183/CA	Putrajaya	
Zainuddin Bin Mohd Salleh	21188/CA	Halim Noor Bin Haji Jaafar	21155/CA
Klang			
Er Choon Lem	21222/CA		
Lee Hui Hui	21170/CA		
Roswahida Binti Abdul Wahid	21198/CA		
Wong Siew Peng	21215/CA		
Petaling Jaya			
Anuar Bin Mohd	21165/CA		
Chan Kok Keong	21176/CA		
Choo Bee Chung	21153/CA		
Ding Yin Loong	21184/CA		
Eng Meng Seng	21175/CA		
Gowri A/P Shanmuganathan	21201/CA		
Heng Kay Swee	21192/CA		
Mohamad Bin Hamim @ Mohamed Kamaruddin	21160/CA		
Ong Eng Shiew	21193/CA		
Seah Pheng Chunn	21152/CA		
Tam Choong Peng	21206/CA		
Wong Soo Wan	21163/CA		
Zubaidah Bt Abd Karim	21156/CA		
Puchong			
Mohamad Ishak Bin Mohamad Ibrahim	21208/AM		
Zarina Binti Mahmudin @ Nordin	21180/CA		
Seri Kembangan			
Choo Kim Wong	21202/CA		
Shah Alam			
Mohd Azuan Bin Khairoji	21223/CA		
Tan Soek Houn	21154/CA		
Zuraini Binti Sulaiman	21144/CA		
Subang Jaya			
Anuar Bin Bahador	21217/CA		
Dominic Chegne How Kooi	21197/CA		
TERENGGANU DARUL IMAN			
Cukai			
Zul Fadhila Bin Muhammad	21169/CA		
WILAYAH PERSEKUTUAN			
Kuala Lumpur			
Abu Bakar Bin Yunos	21219/CA		
Ainun Mardziah Binti Haji Hassan	21166/CA		
Aznita Binti A Manap	21151/CA		
Chin Wing Wah	21158/CA		
Choo Yew Fai	21187/CA		
Foo Bing Cheng	21210/CA		
Henry Chow Tiam Chye	21150/CA		
Johan Bin Idris	21173/CA		
Junainah Binti Repin	21161/CA		
Khairul Nizam Bin Ismail	21191/CA		
Khor Jeen Eu	21147/CA		
Lim Pei Shia	21189/CA		
Mahadzir Bin Md Yunus	21205/CA		
Marriaty Binti Ariffin	21195/CA		
Mohd Fadzil Bin Yaakub	21186/CA		
Mustakim Bin Mohamad	21143/CA		
Noor Baizurah Binti Hamzah	21174/CA		
Nor Azlina Binti Mohd Saad	21182/CA		
Rizalman Bin Ismail	21190/CA		
Rozaimah Binti Ali	21168/CA		
		Teh Khoon Heng, Michael	163
		Lau Yen Bin	1852
		Chow Kai Wah	2203
		Lee Siew Hoong	2635
		Quah Chei Jin, Albert	2671
		Tan Kow Tee	2972
		Quek Hong Hoon	3010
		Yap Chin Fook	3464
		Tai Shong Chong	3555
		Khaw Cheow Hean	3993
		Ng Siw Choan @ Ng Siew Chuan	4012
		Soon Dee Hwee	4025
		Lim Chun Yuan	4150
		YBhg Dato' Azman Mahmood	4190
		Cho Oi Kwan	4191
		Cheong Kwok Wai	4236
		Phuah Pek Kim	4615
		Chan Ming Kam	4637
		Shu Tiong Ki	4949
		Yong Kok Hoe	5048
		Abdul Rahman Bin Ahmad	5075
		Tye Lee Lean	5090
		Azmi Bin Ismail	5163
		Othman Bin Jantan	5290
		Rihatun Abdallah Bt. Meor Zainal Abidin	5291
		Toh Sek Cheong	5429
		Liew Kam Cheong	5445
		Rosenida Bt. Abd. Rahman	5629
		Saadatul Nafisah Bashir Ahmad	5947
		Lubi Michael Mana	6497
		Chan Yaw Foi	6505
		Ong Seow Kwong	6567
		Ng Wing Hoong	6723
		Hu Kiew Chai	7028
		Zainora Bte Abdul Talib	7434
		Roslan Bin Abdul Rahman	7567
		Che Ismail Bin Che Mood	7778
		Neo Chal Ying	8081
		Azhar Bin Haji Abdul Samad	8290
		Rejeesh S/O Balasubramaniam	8393
		Rita Wong Sui Meng	8433
		Lau Tian Chen	8446
		Michael Chai Keat Voon	8485
		Tan Kim Han	8501
		Mohamed Abdul Rahman	8586
		Teh Gaik	8939
		Neoh Choy Leng	9288
		Anthony Wong Ai Sun	9530
		Heng Aik Chong	9890
		Soong Bee Hong	10028

Re-Admission of Accountants

AS AT 27 MAY 2003

Noor Sa'adah Bt Hj Ismail	10378
Chan Weng Sum	10544
Cheah Eng Ann	10569
Shkirah Rohanim Kassim	10585
Chan Foong Leng	11149
Lee Shik Kee	11161
Ong Eian Kheng	11192
Farizal Bin Ismail	11281
Norraiha Binti Bahari	11523
Tamil Selvi D/O Shanmugam	11626
Choy Tuck Yee	11664
K Vithyatharan A/L V Karunakaran	11684
Teng Mee Nguk	11780
Mohtar Bin Kamirun	12041
Tang Yoke Jing	12367
Masturah Bt Zainul Rashid	12511
Kuek Joo Khiang	12618
Ling Chia Wei	12747
Abdul Wahid Bin Omar	12759
Fahimi Bin Faisal	12789
Noor Hisham B Mohd Ghouth	12875
Raja Najihah Binti Raja Mohammad	13075
Puah Poh Leng	13189
Stanley Sha Kok Wai	13240
Ku Asma'lailah Bt Ku Ahmad	13588
Cheam Lai Ling	13759
Fun Fook Nia	14001
Fadzilah Bt Mohd Salleh	14028
Teoh Leng Teck	14183
Jennifer Lopez A/P J William Lopez	14319
Tan Joo Geok	14353
Norahazalza Bt Mat Nah	14360
Sharifah Delima Binti Syed Marzuki	14512
Hadijah Binti Baharin	14587
Thong Soon Cheong	14822
Azizi Binti Abdillah	14918
William Santosh A/L John	14971
Mohd. Fairuz Bin Abdul Latiff	15034
Radhakrishnan A/L Muthya	15184
Shaliza Binti Shafie	15186
Zubydah Binti Hamzah	15274
Lai Tart Hoong	15291
Anbhu Selvem A/L A. Veeramalai	15475
Mohd. Khaidzir Bin Shahari	15905
Jevinder Singh Gill A/L Ranjit Singh	16145
Seew Choi Har	16277
Lim Tiong Jin	16286
Syamsul Baharin Bin Rahim	16596
Wong Yoke Cheng	16915
Liew Kok Choy	17087
Thien Ming Fui	17191
Zamzuri Bin Azul Islami	17672
Khoo Chiew Wah	18051
Lee Cheun Wei	19056
Lai Chui Keng	19243
Siti Azliyah Binti Eli @ Ali	19332
Mohamed Hassan Bin Mohamed Yacob	19412
Mohd Suhaimy Bin Harun	19421

Resignation of Accountants

AS AT 27 MAY 2003

Lin Poh Lin	9535
Ch'ng Kooi Ching	14489
Tay Jey Huey	18303

Audit Firms Registered with MIA

FROM 1 MAY UNTIL 31 MAY 2003

AUDIT FIRM NAME AF NO

JOHOR DARUL TAKZIM

Moore Stephens Associates & Co 1494
Suite 5.2, Level 5
Menara Pelangi
No. 2, Jalan Kuning
Taman Pelangi
80400 Johor Bahru
Tel : 07-3341750 Fax : 07-3318617
e-mail : bala@ssaps.com.my

PERAK DARUL RIDZUAN

Y. M. Tham & Company 1487
30B, Jalan Seenivasagam
30450 Ipoh
Tel : 05-2546437 Fax : 05-2546437
e-mail : ymthamco@hotmail.com

PULAU PINANG

Hisham & Co. 1491
44A, Tingkat 1
Jalan Todak 2
Bandar Seberang Jaya
13800 Prai
Tel : 04-3999119 Fax : 04-3999119
e-mail : hishamuddin@yahoo.com

SARAWAK

G.H. EE Dan Rakan Rakan 1493
No. 2 & 3, 1st Floor, Block A
Wisma Nation Horizon
Jalan Petanak
93100 Kuching
Tel : 082-423933 Fax : 082-421933
e-mail : bcsimco@pd.jaring.my

WILAYAH PERSEKUTUAN

Kuzaimi & Co. 1492
42A-A, Jalan 6/21D
Medan Idaman
Jalan Gombak
53100 Kuala Lumpur
Tel : 03-4021 7601 Fax : 03-4021 6602
e-mail : kzaja@tm.net.my

PKF Skelchy 1495
8A, 8th Floor
Wisma Harwant
106 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : 03-2692 5399 Fax : 03-2691 2643
e-mail : pkfkl@pkfmalaysia.com

FROM 1 MARCH UNTIL 31 MARCH 2003

AUDIT FIRM NAME AF NO

PULAU PINANG

EC Chor & Associates 1482
2-6-33, Suite 1
Harbour Trade Centre
2, Gat Lebu Macallum
10300 Pulau Pinang
Tel : 04-2623609 Fax : 04-2613609
e-mail : ecchor@tm.net.my

SABAH

HL Thong & Associates 1471
2nd Floor, Block 12
Kolam Centre
P. O. Box 22722
88787 Kota Kinabalu
e-mail : glanai@tm.net.my

Non-Audit Firms Registered with MIA

FROM 1 May 2003 UNTIL 31 May 2003

NON-AUDIT FIRM NAME NF NO

MELAKA

S. C. Wong & Co. 0392
No. 52A-1, Jalan PPM 4
Plaza Pandan Malim Business Park
Balai Panjang
75250 Melaka
Tel : 06-3360968 Fax : 06-3360980

PULAU PINANG

Lau & Associates 0382
2, Lintang Tenggara
Seberang Jaya
13700 Perai
Tel : 04-3900826 Fax : 04-3996798
e-mail : tclau@time.net.my

SABAH

Assaffal Azhar & Associates 0384
Block H, Lot 7, 3rd Floor
Lorong Ikan Juara 5
Sadong Jaya
88100 Kota Kinabalu
Tel : 088-266058 Fax : 088-255058
e-mail : azhardhm@hotmail.com

Han & Associates 0390
1st Floor, TB 3479
Jalan Masjid, P.O.Box 523
91008 Tawau
Tel : 012-8183112 Fax : 08-9764581

NON-AUDIT FIRM NAME NF NO
SELANGOR DARUL EHSAN

Zulkfali & Co. 0383
15B, Jalan SG 3/4
Pusat Bandar Sri Gombak
68100 Batu Caves
Tel : 03-6187 4907 Fax : 03-6185 6409
e-mail : zulkfali@tm.net.my

WCK Management 0391
1508, Jalan Wawasan Ampang 1/10
Bandar Baru Ampang
68000 Ampang
Tel : 03-4270 5244 Fax : 03-4270 5244
e-mail : william1508@hotmail.com

WILAYAH PERSEKUTUAN

Lesmond Lee & Co. 0380
No. 8-3A, Jalan Pandan 3/2
Pandan Jaya
55100 Kuala Lumpur
Tel : 03-9200 3282 Fax : 03-9200 8286
e-mail : lesmond@tm.net.my

Syahrin & Co. 0381
No. 1033, Jalan Damansara
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 03-6157 2087 Fax : 03-6157 2087
e-mail : syahrin75@yahoo.co.uk

FUA Management 0385
2-3, Jalan 3/64A, 2nd Floor
Komplek Udarama
1st Mile, Jalan Ipoh
50350 Kuala Lumpur
Tel : 03-4042 5844 Fax : 03-4041 3273
e-mail : kiapha@tm.net.my

YC Wong Management Services 0386
31, Lorong Datuk Sulaiman 3
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 03-7729 1877 Fax : 03-7725 9811
e-mail : wong_yc@tm.net.my

C. S. Chin & Co 0387
51-2-6, Jalan 3/109C
Taman Abadi Indah
58100 Kuala Lumpur
Tel : 03-7984 2782 Fax : 03-7984 2785
e-mail : chincheeseng@pd.jaring.my

Muhammad, Mallek & Co. 0388
Lot 3.34, Tingkat 2
Medan Mara
Jalan Raja Laut
50350 Kuala Lumpur
Tel : 03-2692 5262 Fax : 03-2694 4392
e-mail : asri@skali.com

LSH & Co 0389
2, Lorong Malinja Satu
Taman Bunga Raya, Setapak
53000 Kuala Lumpur
Tel : 03-4107 7136 Fax : 03-4108 2740
e-mail : seyhock@pd.jaring.my

FROM 1 MARCH UNTIL 31 MARCH 2003

NON-AUDIT FIRM NAME NF NO
JOHOR DARUL TAKZIM

Feasal & Co. 0350
Suite 331, 3rd Floor
Panglobal Plaza
Jalan Wong Ah Fook
80000 Johor Bahru
e-mail : mfdyson@yahoo.com

C E Lum & Co. 0360
9B, Jalan Kundang 3A
Taman Bukit Pasir
83000 Batu Pahat
Tel : 07-4345344 Fax : 07-4345344
e-mail : linlum@tm.net.my

MELAKA

Joo Ee, Choon & Associates 0359
25, Jalan PE 8
Taman Paya Emas
Paya Rumput
76450 Melaka
Tel : 06-3123543
e-mail : jooeechoon@hotmail.com

PULAU PINANG

Ong Theam Aun & Associates 0356
Unit 1.11, Suite I, First Floor
Choo Plaza
No. 41, Abu Siti Lane
10400 Georgetown
Tel : 04-2284316 Fax : 04-2284316
e-mail : otaun@tm.net.my

L.C. Chua & Associates 0362
1-3-27, Level 3
Krystal Point Corporate Park
No. 1, Jalan Tun Dr Awang
11900 Bayan Lepas
Tel : 04-6448818 Fax : 04-6447828
e-mail : greatleap_m@msn.com

SARAWAK

Francis Ting & Co 0353
No. 7, 1st Floor
Lorong Bengkel 1
Jalan Bengkel
96008 Sibul
Tel : 084-344941 Fax : 08-4344941

CSM Associates 0363
Lot 2185, 2nd Floor
Saberkas Commercial Centre
98000 Miri
Tel : 085-653902

SELANGOR DARUL EHSAN

TSB & Co. 0347
13, Jalan Sungei Jerneh 8/1
46050 Petaling Jaya
Tel : 03-7957 7893 Fax : 03-7957 7893
e-mail : sokbee@tm.net.my

NON-AUDIT FIRM NAME NF NO
SELANGOR DARUL EHSAN

KM Foo & Co 0351
Mezzanine Floor, Lot 81
Lorong Mamanda 1
Ampang Point
68000 Ampang
Tel : 017-8719919 Fax : 03-4251 1181
e-mail : fking@tm.net.my

KNA Taxation 0355
3-1, Lorong Tiara 1B
Bandar Baru Klang
41150 Klang
Tel : 03-3342 1088 Fax : 03-3342 1088

K.T. Lui & Co. 0357
26A, Jalan 4/12A, Seksyen 4
43650 Bandar Baru Bangi
Tel : 012-3693751
e-mail : keingtin@yahoo.com

Yusmani & Associates 0358
55, Jalan Pustaka U2/24
Taman TTDI Jaya
40150 Shah Alam
Tel : 03-7847 1618 Fax : 03-7847 1618
e-mail : siti_yh_66@hotmail.com

Low & Partners 0361
97, Jalan Besar, Batu 13 1/2
43100 Hulu Langat
Tel : 012-6694233 Fax : 03-5633 5303

LABUAN

Terence Liau & Associates 0348
U0510, Lot 31, 2nd Floor
Lazenda Commercial Centre
Phase 2, Jalan Tun Mustapha
87025 Labuan
Tel : 087-583168 Fax : 087-583168
e-mail : terence_liau@hotmail.com

WILAYAH PERSEKUTUAN

CW Intan & Co. 0349
Lot 2-1-41D, 1st Floor
Wisma Rampai, Jalan 34/26
Rampai Town Centre
53300 Kuala Lumpur
Tel : 03-4143 4220 Fax : 03-4143 3220
e-mail : cwintanco@msn.com

ANZ & Associates 0352
No. 23-5, Jalan 11/48A
Sentul Raya Boulevard
Off Jalan Sentul
51000 Kuala Lumpur
Tel : 03-4045 1197 Fax : 03-4045 1201
e-mail : anzmc@yahoo.com

N. Param & Co. 0354
23-5, Jalan 11/48A
Sentul Raya Boulevard
Off Jalan Sentul
51000 Kuala Lumpur
Tel : 03-4045 1197 Fax : 03-4045 1201
e-mail : nmsparam@hotmail.com