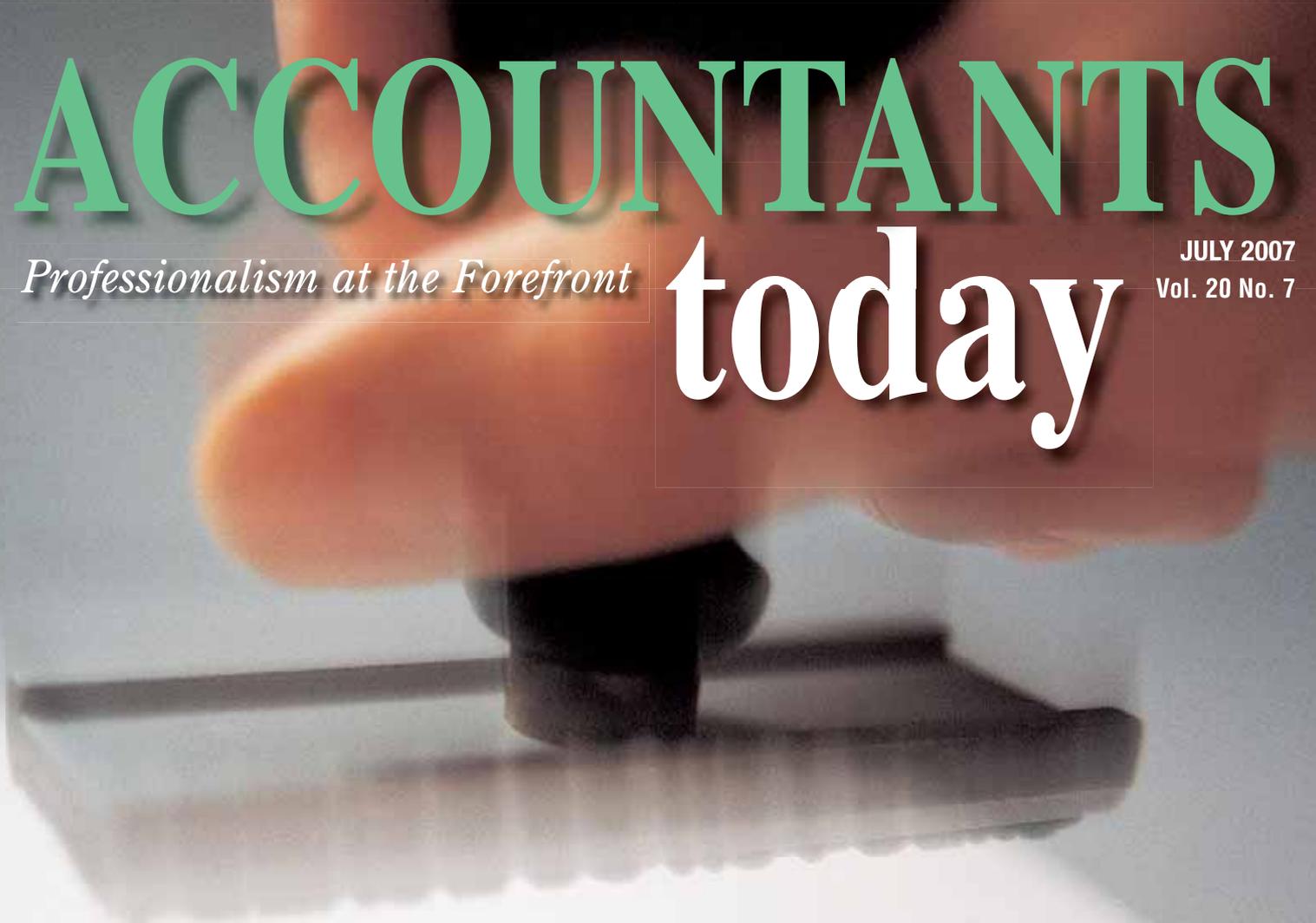


# ACCOUNTANTS

*Professionalism at the Forefront*

# today

JULY 2007  
Vol. 20 No. 7



**GREATER  
ACCOUNTABILITY**

“Good corporate governance can only be safeguarded through appropriate disclosure and transparency”

*Abdul Rahim Abdul Hamid, MIA President*

ISSN 1394 - 1763



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Circulations  
(Malaysia)



A Monthly Publication of the Malaysian Institute of Accountants

- 40 years of MIA
- Firms caught with pants down



**Unscramble what it means for your business strategy.**

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page 11**

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### Mini-ENRON'S Shaking Up Malaysia's Corporate Governance?

*It's been some six years since the Enron Corp accounting scandal paralysed one of the world's leading electricity, natural gas, pulp and paper and communications companies with claimed revenues of US\$111 billion in 2000.*

*Houston-based Enron achieved infamy at the end of 2001, following revelations that its reported financial condition was sustained mostly by institutionalised, systematic and creatively planned accounting fraud. The firm has since become a popular symbol of wilful corporate fraud and corruption.*



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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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### 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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**ADVERT**

## Integrity *is everyone's business*

In 2002, then MIA President Datuk Abdul Samad Haji Alias, in an article in *Malaysian Business*,<sup>1</sup> stated that “mini-Enrons” were happening in Malaysia all the time. To confirm that, the media has been highlighting cases of corporate reporting gone faulty. Lately there has been a spate of cases involving companies such as Megan Media Holdings Bhd, Bumiputra-Commerce Holdings Bhd, Wimems Corp Bhd and of course Transmile Group Bhd.

Not that there aren't checks and balances. Early last year, the Financial Reporting Standards (FRS) were introduced into the Malaysian market to encourage increased levels of disclosure in financial reporting. Regulatory agencies such as the Securities Commission have their own safety regulations in place to act against errant organisations. So what gives?

Perhaps this goes beyond being just an accounting issue, of concern only to accountants. Perhaps it is also a question of integrity — or the lack of it. “How do you ensure upholding the highest level of integrity of everyone in the process?” Abdul Samad put this forward in the same article when asked if future Enrons can be avoided. In the same vein, MIA's current President, Abdul Rahim Abdul Hamid, in this month's cover story says that it is the human factor that is the main cause of less-than-honest corporate reporting (page 20).

If it all boils down to the human factor though, no amount of controls will stop these scandals. Such debacles will continue to rock our markets if everyone wants to continue to point fingers and expects someone else to take the blame.

While full conformance to accounting standards is crucial, the other imperative is to let humanity prevail by going back to basics and practicing good, wholesome values. It is not just the accountants who must possess good ethics and integrity, but everyone across an organisation. This is the only way forward.

In light of cases involving ‘accounting irregularities’ which inevitably tend to impact upon our profession, a considerable number of pages in this issue have been dedicated to the matter. We hope you find them engaging.

We would also like to draw your attention to MIA's 40<sup>th</sup> Anniversary Royal Gala Dinner, which is featured on page 12 of this month's issue. Do come and celebrate with us.

Happy Reading! **AT**

“While full conformance to accounting standards is crucial, the other imperative is to let humanity prevail by going back to basics and practicing good, wholesome values. It is not just the accountants who must possess good ethics and integrity, it applies to everyone across an organisation. This is the only way forward.”

Editor  
*Accountants Today*

<sup>1</sup> “Keeping the Numbers in Check”, by M. Shanmugam and Joanna Sze, *Malaysian Business*, 1 March 2002.

### 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, business leaders, 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 and range from 1,000 to 2,000 words. They can be submitted in hardcopy or softcopy. Manuscripts are subject to a review procedure without prejudice and the Editor reserves the right to make amendments which may be deemed appropriate prior to publication.

**In Malaysia, the word Accountant is protected. This is provided for under provisions of the Accountants Act 1967 which state that no one can hold himself out or practice as an accountant unless he is registered as a member of MIA.**

Dear Editor,

My letter to you expresses the thoughts of many accountants in Malaysia. Accountancy is one of the oldest and most respected professions in the world, and accountants are viewed as a distinctive group of professionals with one of the highest integrity and ethical standards. In order to qualify as an accountant, the profession in general requires rigorous academic and professional assessments coupled with several years of certified relevant experience.

In the international employment arena, particularly in developed nations, accountants are highly sought after and well respected.

However, in our own country, there is a huge gap in the common knowledge about accountants and in the regulation of the profession. The majority view is that accountants are nothing more than just “educated bookkeepers”. We even face competition from non-members of the Institute who are

holding out as ‘practising accountants’ in commerce and industry.

Though the word “enforcing” may seem harsh, the message of **“no one can hold himself out or practice as an accountant unless he is registered as a member of MIA”** has not been firmly or never enforced, thus the message is not clear enough. So generally there appears to be a common understanding that we don’t need to be a member of the Institute in order to practice as an accountant. Or alternatively non-members can have designations such as Accounting Manager, Finance Manager, Financial Manager, Senior Accounts Executive, Financial Analyst and Finance System Manager as long as the word ‘accountant’ is not present. The message may have been published or communicated once in a while but it seems that using such synonyms for “accountant” has never been more encouraging, creative and bold these days.

One in every five persons amongst my peers is currently working overseas in order to get better remuneration and treatment, which every qualified accountant deserves. Three out of ten are actively looking for work opportunities abroad. This is evident from

the high staff turnover experienced by all top accounting firms in Malaysia and even in selected sectors of commerce and industry. As for the remaining members, most are looking to switch careers into consultancy, insurance, financial planning and other related professions that are generally non-accounting based.

Several of us believe that this is due to the ‘easy’ criteria for admitting certain members to the Institute. We must not forget that to carry the title ‘Chartered Accountant’ we must also assume the tremendous weight and responsibility that comes with it.

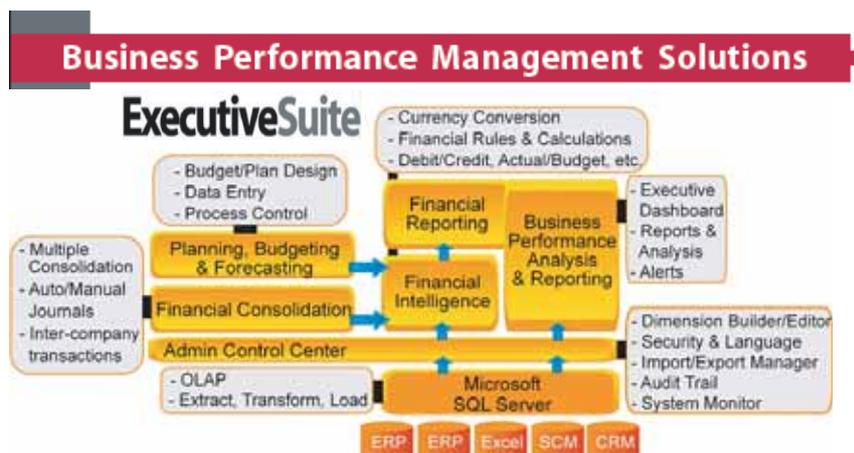
If we evaluate the root cause, the answer seems too easy — enforcement by the Institute and the vision of our Institute in building our image and enhancing the value of our profession.

We have just 13 years left before we reach Vision 2020, and I hope that the existing members of the Institute are ready to carry the weight of responsibilities to propel our profession to greater heights in line with the vision.

The strength of any professional body is not only measured by numbers. **AT**

Chih Hung Chee

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# WORLD news

## EU sets timetable for approved Chinese accounting standards

The European Commission (EC) is to approve a set of Chinese accounting standards (CAS) in line with those used in EU nations by the end of 2008, a senior EC official has said.

Charlie McCreevy, Commissioner for Internal Market and Services, said at a press conference during his recent two-day visit to China that the EC had set a timetable to decide on the CAS equivalent to the international financial reporting standards (IFRS) used by all EU member states, reports *Xinhuanet*.

China would be the fourth country after the US, Japan and Canada to have accounting standards equivalent to those in the EU. The EU started using the IFRS for all listed companies in its 27 member states in 2005. McCreevy said if the CAS was taken as the equivalent of the IFRS, then Chinese companies listed in European stock markets would have no need to change their annual financial reports.

According to the report, China adopted new CAS for all listed companies and auditing standards for accounting firms in January, marking substantial progress in convergence with the IFRS and the international standards on auditing.

In talks with Chinese Vice-Minister of Finance Wang Jun, whose department oversees accounting affairs, McCreevy stressed the EC's strong support for convergence between the IFRS and the CAS. He welcomed China's progress in developing accounting standards and contributing to international convergence, and encouraged China to continue the convergence process.

McCreevy and Wang agreed that consistent application of accounting standards needed proper enforcement systems and education and training. They agreed both sides should continue to hold regular meetings to exchange views on international accounting convergence and equivalence.

McCreevy made his second visit to China, to discuss strengthening regulatory cooperation in key policy areas, including financial services, accounting and auditing, securities and asset management, public procurement and intellectual property rights.

He held meetings with Minister of Finance Jin Renqing, People's Bank of China Governor Zhou Xiaochuan, President of the planned Foreign Exchange Reserves Management Company Lou Jiwei, and China Securities Regulatory Commission Chairman Shang Fulin. **AT**

*Xinhuanet*

## FASB to talk directly with banks

The Financial Accounting Standards Board (FASB) is planning to talk with banks directly about frustrations its FAS 140 rule may be causing as they try to fix the sub-prime mess, said a board member, reports *Reuters*.

At the American Securitisation Forum meeting in June, FASB member Leslie Seidman said the board's staff plans to hold an "educational forum" later this month with several interested parties, to find out if the issues banks are complaining about are related to legal or accounting concerns. "Our staff have been getting many, many questions about workouts," Seidman said.

The forum would be a closed-door session, with only three board members present.

According to the New York-based report, sub-prime loans, made to borrowers with poor and untraditional credit histories, have wreaked havoc in the mortgage market in recent months as higher interest rates led to rising defaults and delinquencies among borrowers. But as banks look for a way to help borrowers modify loans, they are finding obstacles in the complex web of legal and accounting rules used to pool mortgage loans into securities.

The report quoted the FAS 140, which governs whether a bank can treat assets held in various asset-backed securities as sales or secured financing. If the asset is treated as a sale, it allows banks to keep it off their balance sheets.

On the other hand, it says banks argue the standard prevents them from helping borrowers modify loans easily. But market experts have said the complications are also a legal issue related to the terms set out at the time a mortgage-backed security is created. **AT**

## IRS losing millions to fraud

A federal audit said the U.S. Internal Revenue Service is losing millions of dollars to fraud as a result of softening its questionable claims programme, reports *UPI*.

The report by Inspector General Russell George praised the IRS for responding to a 2006 complaint by Nina Olson, the national taxpayer advocate, that the agency had frozen refunds for thousands of taxpayers without notifying them or giving them a chance to challenge the action.

However, the audit said the agency's response in altering its 30-year-old Questionable Refund Programme may have gone too far, *USA Today* reported. Among the problems, the audit said recent changes "could negatively affect tax administration by not holding perpetrators of smaller-valued (fraud) schemes accountable."

The report, which appeared in mid-June, added that US\$15.9 million in refunds were made as a result of the softer enforcement because initial reviews of questionable claims were not completed within "a certain number of days." IRS Criminal Investigation Chief Eileen Mayer told the newspaper the agency is studying the recommendations and is trying to balance taxpayer rights with proper enforcement. **AT**

## Deloitte crunches staff numbers

The new head of Deloitte has set a target of an annual reduction in staff turnover of one per cent for the next five years, and an increase in the number of female partners, according to a report by *The Australian Financial Review*.

On 14 June 2007, Jim Quigley set these benchmarks to counter a global shortage of accountants. The large Australian accounting firms could have a turnover as high as 20 per cent.

Quigley believes a higher number of female partners is a valid measure of success. In 2005 women made up 21 per cent of partners in Deloitte's Australian arm. Of the 42 partners appointed in June 2007, 28 per cent were female. Other Australian firms have around 14 to 16 per cent. **AT**

## India helps to change the world of accounting, claims Kellogg & Andelson

India is now being employed to assist the needs of accounting firms such as Kellogg & Andelson in the United States to increase efficiency and cut costs due to the rising fees within corporate overhead, according to an article posted on *LosAngeles.dbusinessnews.com*.

According to the US Department of Labour's Bureau of Labour Statistics, the consumer price index for clerical workers is on a steady rise, increasing the cost of employing such workers within companies. CPA firms use India teams for data entry roles, in completing tax returns for cli-

ents, processing accounts payable and receivable, along with various other accounting duties, saving them nearly half the cost of having an in house accounting staff, and in return passing those savings on to the businesses that employ them.

The report said accounting corporations such as Kellogg & Andelson, headquartered in Sherman Oaks, California, are using staff with degrees in accounting to work under managers that are United States Certified Public Accountants, located in their India offices, to complete many of their clients' accounting tasks. Using American computer programs, the employees in India can open a client's files electronically from the accounting company's server, where they perform any necessary account functions before directly inputting the data back into the client's accounting software where the client can view the finished product.

Because no hard copies ever exchange hands, and because the accountants in India have no way of saving or printing the client's information, there is less worry of anyone ever obtaining the client's sensitive financial data. Many companies who outsource their information to offices in India also have certification through the International Certification Registrar Ltd., ensuring that they are utilising completely secure networks within their financial transactions.

Further helping companies, due to differences between India and the US, such as time and work schedule, those employing offices in India can operate 24 hours a day, six days a week, thus processing information for their clients over-

night.

Kellogg & Andelson have been providing accounting and consulting services to owner-operated companies within various industries since 1939. It is one of the largest CPA firms in California and it provides unique, cost saving outsourcing services through its subsidiary offices in India. **AT**

## US option accounting

Do US regulators have the stomach for another round on stock option accounting?

A commentary in the *Financial Times* suggested economic logic finally prevailed a couple of years ago, and US companies now have to treat stock options granted to employees as an expense that appears in the profit and loss account, just like any other form of compensation. But just getting to that first base was a bloody fight.

"Now, some lawmakers are pointing out that companies have been able to claim more in tax deductions for stock options that have been exercised than they have recorded as an expense in their accounts. It would hardly be the first time that tax and bookkeeping rules are adrift. And, in the case of stock options, the gap is inevitable since they are measuring different things. The expense booked in the P&L by companies reflects the notional future value of grants, not the actual cash received by employees when they exercise their options.

"Nonetheless, the lawmakers are on to something. Shareholders are probably not getting as accurate a picture as

they could of the real cost of granting stock options. True, the concern is less pressing now than it was. Stock options granted peaked in 2000 with a value of US\$104 billion for S&P 500 companies, according to Credit Suisse. In 2005, that had dropped to a mere US\$30 billion — less than five per cent of net income — and is unlikely to have changed much last year.

"The suggested remedy of Senator Carl Levin, whose subcommittee held hearings on the subject recently, would be to change the tax code to bring it more in line with accounting rules. Theoretically this could benefit the Treasury in a rising market. But it would probably be more logical to do the opposite and adjust the accounting figure as the options gained — or lost — in value. Of course, there would be the usual complaints that this would increase the volatility of reported earnings figures, but markets are sophisticated enough to be able to deal with it," the report said. **AT**

## Many Singapore firms still need convincing on good governance

Many boards and directors of Singapore listed companies still need to be convinced of the value of good corporate governance practices in substance as well as in form, said Tharman Shanmugaratnam, Singapore's Minister for Education and Second Minister for Finance.

Giving an example, Tharman said that some companies use 'boilerplate language' provided by external advisers to explain how they have met standards

under the Code of Corporate Governance, reports Singapore's *Business Times*.

The Monetary Authority of Singapore and the Singapore Exchange will work with market participants to review how best to raise governance practices of companies so that they are more in keeping with the spirit of the code, he said.

In his speech at the Singapore Corporate Awards presentation, as reported in the business daily, Tharman also explained why the MAS and the SGX will oversee corporate governance for listed compa-

one should make provisions for future risks and challenges.' Even as we ride on the current momentum of growth at home and in the broader region around us, we have to look ahead to source new opportunities that will sustain growth, and ensure that our systems for anticipating and managing risk are robust."

Earlier this year, according to the report, it was disclosed in Parliament that the oversight of corporate governance of listed companies will be transferred from the CCDG to the MAS and SGX.

**"It is easy in good times to let our guard down. Almost every company is in the black, and poor corporate practices can easily be masked. And as the Chinese saying goes, 'In times of peace and prosperity, one should make provisions for future risks and challenges.'"**

**Tharman Shanmugaratnam, Minister for Education and Second Minister for Finance, Singapore**

nies from 1 September this year, taking over the role from the Council on Corporate Disclosure and Governance (CCDG).

He assured that the transfer to MAS and SGX is not about imposing more rules or legal requirements, although the Code of Corporate Governance will be kept under review and will have to remain sensitive to practices in other leading markets. "As it stands, the code sets sensible, internationally benchmarked good practice standards for listed companies in Singapore," he said.

In the speech, the minister also said: "It is easy in good times to let our guard down. Almost every company is in the black, and poor corporate practices can easily be masked. And as the Chinese saying goes, 'In times of peace and prosperity,

The CCDG, which was formed in August 2002 to prescribe accounting standards, strengthen the framework on disclosure practices and reporting standards, and to review and make recommendations to the Ministry of Finance on revisions to the Code of Corporate Governance, will be dissolved.

The government will also be setting up an Accounting Standards Council to replace the council and issue accounting standards for companies and other entities such as charities, societies and co-operatives.

In a separate press release, the MAS and SGX said the move will clarify and streamline responsibilities for corporate governance matters for listed companies. This is also consistent with practices in other countries like Australia, Hong Kong, the US and New Zealand. **AT**

## Vietnam coffee growers call for simpler tax regime

The Vietnam Coffee Association (Vicofa) is urging the General Department of Taxation to impose a unified five per cent value added tax (VAT) on processed and unprocessed coffee, reports *VNeconomy.com*.

The association has received complaints from members saying the current tax regime was unclear. Under the VAT calculation, unprocessed coffee is exposed to a five per cent VAT, while processed coffee has a 10 per cent tax. The two-tax system though, has caused some issues, says Vicofa, indicating authorities from different provinces impose different tax regiments.

There is also confusion over the classification of coffee for export, says the association; authorities often determine whether coffee is earmarked for export or the domestic market based on the VAT. As a result, one million out of 1.5 million sacks of coffee exported to ten European ports were found to be of low quality by the International Coffee Organisation.

Vicofa argued that since the country wants to encourage the export of high quality processed coffee and most of Vietnam's exports are unprocessed, it should impose a five per cent VAT across the board.

Coffee executives add that the 10 per cent VAT does not encourage companies to ship processed coffee, even though export taxes are set at zero. Vicofa explains that the VAT compensation procedures are lengthy, so companies sometimes have to incur hefty interest payments on bank loans.

Vicofa says a five per cent VAT on all coffee products will promote coffee exports and

help the country regain its prestige on the global market as a quality producer. **AT**

## South Africa: New taxation laws to help with savings

Finance Minister Trevor Manuel has introduced the new Taxation Laws Amendment Bill, which is set to help South Africans manage their savings.

Speaking in Parliament, Mr. Manuel said the new Bill "contains measures to assist individuals, with a special emphasis on savings. "The Bill also seeks to assist small business by extending the small business tax amnesty by another month."

As a result of the steadily "growing economy and administrative efficiencies of the South African Revenue Service," personal income tax relief will be granted to the public across the board.

The tax-free threshold for low-income earners will be raised from R40,000 to R43,000. The 18 per cent tax bracket has been raised from R100,000 to R112,500, and top-end earners will be bumped up to R450,000 from R400,000 in the 40 per cent tax bracket.

Mr. Manuel said the raising of thresholds for taxable earnings will effectively put R8.8 billion worth of personal income tax back into the pockets of taxpayers. "Long-term savings for pension, provident funds and individual retirement annuities can now grow tax-free so as to maximise the savings 'nest egg' of future retirees," said Mr. Manuel, noting that the most notable changes to the Bill have been in the area of savings.

The Bill also contains a request to the legislature to extend the window period for Small Business Tax Amnesty by one month to 30 June 2007. **AT**

# Regional Conference

# COME CELEBRATE 40 years of MIA

1967 ————— 2007

Their Majesties Seri Paduka Baginda Yang di-Pertuan Agong XIII Al-Wathiqu Billah Tuanku Mizan Zainal Abidin Ibni Al-Marhum Sultan Mahmud Al-Muktafi Billah Shah and Seri Paduka Baginda Raja Permaisuri Agong Tuanku Nur Zahirah will be present to celebrate this milestone with us, lending the event a very grand, royal touch.

Top government officials will be present at the event. The who's who of corporate Malaysia and the accounting profession will also be there.

In the resplendent setting of the Shangri-La's Grand Ballroom, those present will be served with fine 5-star Western cuisine, which the chefs at Shangri-La have created specially to titillate palates. Talented singers Anuar Zain and Salamiah Hassan — no strangers to the local music scene — will take the audience on a musical journey par excellence, belting out classic and contemporary hits.

Good company, appetising fare and top-notch entertainment — all this and more will be happening at the Malaysian Institute of Accountants (MIA)'s Royal Gala Dinner in conjunction with MIA's 40<sup>th</sup> anniversary. Themed "MIA: 40 Years of Walking the Values", the event will see MIA celebrating its past achievements, its present endeavours and its aspirations for the future.

In conjunction with the anniversary celebration, MIA will also be launching its 40<sup>th</sup> Anniversary Coffee Table Book, which chronicles MIA's journey from its inception to the present. Among other things it will highlight the many milestones and significant moments of the Institute which would not have been possible without the collective effort of individuals and organisations which have worked tirelessly towards the development of the accountancy profession in Malaysia.

Come and experience this momentous occasion with us. Prices start at RM600 for a third tier seat, RM800 for a second tier seat and RM1,100 for a first tier seat. Table prices start at RM5,500 for third tier, RM7,500 for second tier and RM10,000 for first tier.

For more information on seat/ table purchases, sponsorship opportunities, and other enquiries on the event, please contact the Development and Promotions (DP) Department of MIA at 03-2279 9200 or visit our website at [www.mia.org.my](http://www.mia.org.my)

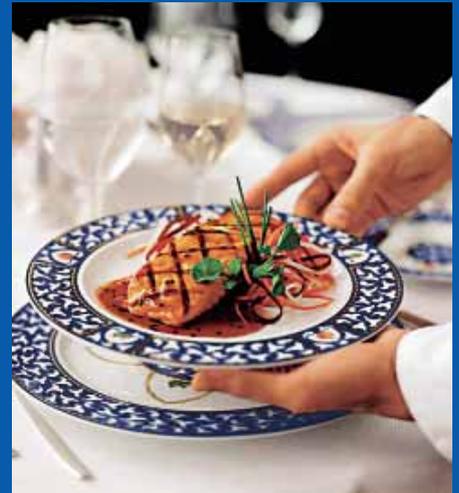
Here's to remembering the past, celebrating the present and striving for the future!



Anuar Zain



Salamiah Hassan



**Details — Date: Friday, 7 September 2007 • Time: 8pm • Venue: Shangri-La Hotel, Kuala Lumpur**



# MIA 40<sup>th</sup> Anniversary

# Royal Gala Dinner

## 40 Years of MIA : Walking the Values

7 September 2007, Shangri-La Hotel, Kuala Lumpur



### RESERVATION FORM

Yes! I/We would like to attend the MIA 40th Anniversary Royal Gala Dinner. Please book the following seat/table:-

Name : \_\_\_\_\_

Organisation : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_ Email : \_\_\_\_\_

	Rates (RM)			Total (RM)
	1st tier	2nd tier	3rd tier	
Per seat	1,100	800	600	
No. of seat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Per table	10,000	7,500	5,500	
No. of table	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional benefit <i>(applicable to organisations who purchase table only)</i>	One complimentary advertisement in the MIA 40th Anniversary Royal Gala Dinner Programme Book.			

Please indicate

#### \*Meal Preference:-

Chicken / Fish / Vegetarian  
*(Please circle your choice)*

Quantity of chosen dish : (      ) Chicken      (      ) Fish      (      ) Vegetarian

*\*Subject to change.*

#### Payment Method:-

I/We will pay using:

Cheque

Enclosed is cheque number \_\_\_\_\_ for RM \_\_\_\_\_ payable to  
**Malaysian Institute of Accountants.**

Credit Card

Please charge RM \_\_\_\_\_ to my credit card  VISA  MasterCard

Credit Card No :  -  -  -

Expiry Date : \_\_\_\_\_

Cardholder's signature : \_\_\_\_\_ Date : \_\_\_\_\_

*(Signature must correspond with specimen signature on credit card)*

*Cancellation Policy : MIA reserves the right to cancel this reservation due to unforeseen circumstances. Cancellation by participants will not be entertained. All reservation are transferable.*

*For enquiries, please contact Development & Promotions Department at 603-22799200 or email to [promotion@mia.org.my](mailto:promotion@mia.org.my). Reservations are on payment-first basis. Please complete and return this form to Malaysian Institute of Accountants, No 2, Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur or fax to 603-2279 9386, latest by 20th August 2007.*

# DELIVERING Value TO MEMBERS

*MIA's Membership department provides thorough information about its services and is ready to assist members*

- *May I know when my application will be approved?*
- *Is my membership certificate ready?*
- *How do I go about setting up a firm to provide accounting services?*
- *I just shifted to a new place. Can I update my address online?*
- *I received a letter saying that I have been audited. I need some help completing the report. Can you help me?*

Questions abound from members of the Malaysian Institute of Accountants on membership related matters. The entity in charge of answering these queries is MIA's Membership department.

The Membership department is a part of the Support Services Division of MIA and its core activities are processing membership applications and continuing support services for members such as issuance of practising certificates, registration of member firms and ancillary matters.

### Regulatory functions

One of the main regulatory functions it undertakes is the Continuing Professional Education (CPE) Audit. This is done to ensure that members of MIA are in compliance with the CPE requirements. Members are audited annually on a random selection basis according to the CPE cycle. The department will review the CPE reports returned by the members, which include follow-ups on incomplete reports submitted.

The department also provides guidance to members in the interpretation of certain areas of the Institute's By-laws (on Profes-

sional Ethics, Conduct and Practice) which relate to their membership and firms. It also assists in monitoring compliance to the Institute's By-laws (On Professional Ethics, Conduct and Practice), the Institute's (Membership and Council) Rules 2001 as well as the Accountants Act 1967.



### Operational functions

The department maintains the membership, practicing certificate and member firm databases. Verbal notification will not be accepted.

The member firm database comprises audit and non-audit firms. The department is required to update the database as and when there are changes in the particulars of the member firms i.e. address, partnership, conversion from a non-audit firm to an audit firm and other related changes. Where updates relate to audit firms, the firms are required to submit a copy of the Form 5, which must be acknowledged by the Companies Commission of Malaysia (CCM) to evidence submission to CCM. The department also issues Certificate of

Registration for Member Firms for the firms registered with the Institute.

Members who wish to commence public practice may make enquiries on the procedures to apply for practising certificates and information may be obtained from the department on the procedures that are involved in setting up of a firm. The department also assists members with queries in relation to applications for audit, tax and liquidators licenses as well as its renewal.

The department recently conducted a survey among practitioners to study the needs and expectations of practitioners in regard to the services rendered. The department hopes to conduct more surveys in order to have a platform for practitioners to provide feedback, which in turn would assist the department to enhance its services to practitioners.

Another activity under the purview of the department is monitoring advertisements in the major newspapers for positions as 'accountants' or any other terms of like description. Companies that do not state the requirement for the MIA membership are identified and are notified of this requirement. It is hoped that such efforts would educate the public on the importance of MIA membership and employers would be assured that they have employed qualified persons who are bound by a strict ethical code.

Occasionally, the department also assists in research activities which in most cases involve lecturers from institutions of higher learning who wish to do a research on issues relating to our MIA members.

## Your questions answered

### A. Members Induction Course

Section 400 of the Institute's By-Laws requires all new members to attend the Institute's induction course within 6 months after being admitted as a member. The courses will be held at the branch nearest to where the majority of the members reside. If a member is residing overseas and unable to attend the induction course within the prescribed period, he is advised to write or e-mail to the department to request for an extension of time.

### B. Certificate of Membership

Certificates are issued to all members. To obtain the membership certificate, newly admitted members are advised to attend the Members Induction Course where the certificate will be given at the end of the session. If for some reason they are unable to collect the certificate:

- members from Wilayah Persekutuan and Selangor or their authorised representative (to bring a letter stating the name and identification card number of the representative) may collect their certificates personally from the Institute's office during office hours.
- members who are residing outside Wilayah Persekutuan and Selangor may request for the certificate to be sent to them. They can request that the certificates be sent to them by sending an authorisation letter with the name of the member, membership number, detailed address and contact number as well. Please do not provide P.O. Box addresses. Members may request for their certificate to be sent to the respective branch offices for collection. This request can be done via e-mail, fax, letter or online.
- members residing overseas would be required to pay for the courier charges incurred. Members need to send in their request in writing and enclose the required amount to the Institute.

### C. Updating Membership Particulars

The department maintains the membership database. Updating is conducted daily to ensure that communication from the Institute reaches the members on a timely basis. Members are advised to notify the Institute of any changes in their particulars. Notification must be **in writing** (e-mail is acceptable). Since 2005, members are able to update their membership data on-line so long

as the member has a password (see Picture 1 and Picture 2 on how to update your membership details online).

### D. Removal from Membership Register

One of the main reasons for a member's name being removed from the Membership Register is the non-payment of the annual subscription within 6 months of the due date, which is 1 July of each year. The annual subscription invoice for the particular financial year is sent to all members and will be followed by a number of reminders. If a member has not made payment by then, his name will be submitted to the Council whereby the powers under Rule 7(1) of the Institute's Rules empowers the Registrar of the Institute to remove the members.

### E. Resignation

Members who wish to resign from the Institute may apply to do so **in writing** to the Institute. There is no specific form to be completed. The Council will only consider an application from a member who is not under any disciplinary proceedings of the Institute and does not owe a debt to the Institute, such as any outstanding annual subscriptions which includes the financial year when the application for resignation is made. The Council may also reject an application to resign if it has any reason to believe that the member has been guilty of unprofessional conduct or that circumstances exist which may justify the removal of his name from the register.

### F. Readmission

A member who has resigned or been removed as a member may apply to be readmitted as a member of the Institute by completing an application form which is available from the Institute or may be downloaded from the Institute's website. The application must be accompanied by a fee not exceeding RM1,000.00 and the annual subscription of the financial year in which he is applying (the current readmission fee is RM500.00).

However, in the case of members who were removed, Rule 7(3) of the Institute's Rules, without prejudice to any other provisions of the Accountants Act, 1967 require the applicant to not only pay a readmission fee but all fees which were in arrears or which would have been in arrears if he had continued to be a member of the Institute.

### G. Practising Certificate

Pursuant to the Malaysian Institute of

Accountants (Membership and Council) Rules 2001 approved on 7 November 2001, a member shall not hold himself out as a member in public practice unless he holds a valid practising certificate issued by the Institute.

In these Rules, "Member in Public Practice" refers to a chartered accountant or licensed accountant who is a sole proprietor or in a partnership, or provides or is engaged in public practice services in return for a fee or reward for such services otherwise than as an employee. Therefore, members who should apply for a practising certificate are those who intend to:

- set up an audit or non-audit firm to be registered with MIA; or
- be a partner of an existing audit or non-audit firm registered with MIA; or
- be a director and/or shareholder in a limited or unlimited company which offers taxation, tax advisory and tax consultancy services.

### H. Public Practice Programme

Section 430 of the Institute's By-Laws requires all professional accountants applying for a practising certificate for the first time to attend and complete the Institute's Public Practice Programme (PPP), prior to his application. The PPP programme is organised by the Institute's CPE Department. If you plan to attend the PPP programme, please contact the CPE department on the dates and venues for the programme.

### I. What are the conditions for holding a Practising Certificate?

- The member must commence public practice within six months of the date of issuance of the practicing certificate and shall practice on a full time basis. A member issued with a practising certificate but is unable to commence practice within the 6 months is to return the practising certificate to the Institute immediately upon the expiry of the period.
- The certificate will be renewed automatically on a year to year basis for a period of twelve months each commencing on the first day of July next following, whereupon the annual practising certificate fee shall become due and payable.
- A member shall cease to be entitled to a practising certificate if he fails to pay the annual practising certificate fee by the

## Delivering Value to Members

last day of December in the year in which it becomes due and payable, unless the Council decides otherwise.

### J. Professional Indemnity Insurance

Section 510 of the Institute's By-Laws provides that every member in public practice is required to ensure that his firm carries and maintains a policy of professional indemnity insurance. The policy of professional indemnity insurance must be for a minimum coverage of RM100,000. The application to renew a member's practising certificate may be rejected if he fails to provide the proof of coverage when renewing.

### K. Extension of Time to Commence Public Practice

Upon obtaining a practising certificate, there is a condition that a practising certificate holder should commence public practice within six (6) months of being issued with a practising certificate. However, in a case where the member has not been successful in his audit licence application and wishes to re-apply for an audit licence, he may apply for an extension of time from the Institute to commence public practice.

### L. Cancellation of Practising Certificate

A practising certificate holder who is unable to commence public practice within six months of the issuance of the practising certificate should surrender his practising certificate to the Institute for cancellation purposes. This also applies to those who have ceased to be in practice. [AT](#)

## Registering an audit firm

### Requirement

A sole proprietor or partner must be a Chartered Accountant registered with MIA, with a valid practising certificate and valid audit licence.

### Procedures and Steps in registering an audit firm

- 1 To complete Form MF-A and submit to the MIA with the following documents:
  - i. A copy of the audit licence; or
  - ii. A copy of the audit licence approval letter.
- 2 Approval letter for the proposed name will be issued by the MIA.
- 3 Form M1, will be enclosed together with the approval letter.
- 4 To submit the following to the Companies Commission of Malaysia (CCM):
  - i. Form 5, under the Companies Act, 1965;
  - ii. Approval letter for the proposed name from MIA; and
  - iii. Payment of RM500 made payable to "PENDAFTAR SYARIKAT".
- 5 The audit firm number will be issued by the CCM.
- 6 Thereafter, to file the following documents:
  - i. Form M1
  - ii. Copy of Form 5 (Borang 5) lodged with the Companies Commission of

Malaysia (CCM).

- iii. Letter from the CCM stating that the firm has been registered as per the Form 5 lodgement with the allocated audit firm number.

The firm number will then be registered in the MIA member firm database.

- 7 Registration of firm letter will be issued by MIA to confirm the firm registration. *(This process will take about seven working days)*

- 8 Registration of Firm Certificate will be issued by MIA. This certificate will be issued within three weeks.

### Important Notes

- 1 An applicant who decides to change the approved name is required to submit a fresh application for the new name by completing Form MF-A.
- 2 The Registration of Firm Certificate is issued only once to the Head Office of a firm, and not for its branches.
- 3 Members are reminded to update MIA and CCM on changes in the particulars of their firms by filing Form M1 and Form 5 within one month of the date of changes. When filing Form M1 with MIA, enclose a copy of the Form 5 lodged with the CCM together with a letter from the CCM stating that the particulars have been updated/certified true copy by a CCM officer.

Updating your membership details online

Updating your (member) firm details online

## Registering a non-audit firm

### Services provided by a non-audit firm

- Company secretarial
- Data/Processing/Management services
- Financial Accounting
- Financial Management
- General Management
- Management Accounting
- Management Consultancy
- Taxation (sole proprietor/at least one partner is a tax license holder under Section 153 of the Income Tax Act, 1967.)

### Requirements

A sole proprietor or partner must be a Chartered Accountant or Licensed Accountant registered with MIA with a valid practising certificate.

### Procedures

- 1 To complete Form MF-A and submit to MIA.
- 2 Approval letter for the proposed name will be issued by MIA.
- 3 Form M3 will be enclosed together with the approval letter. The member will be required to complete Form M3 and return it to MIA for registration and a non-audit firm number will be issued. *(The process will take about seven working days)*
- 4 Registration of Firm letter will be issued by MIA to confirm the Firm registration.
- 5 Registration of Firm Certificate will be issued. The certificate will be issued within three weeks.

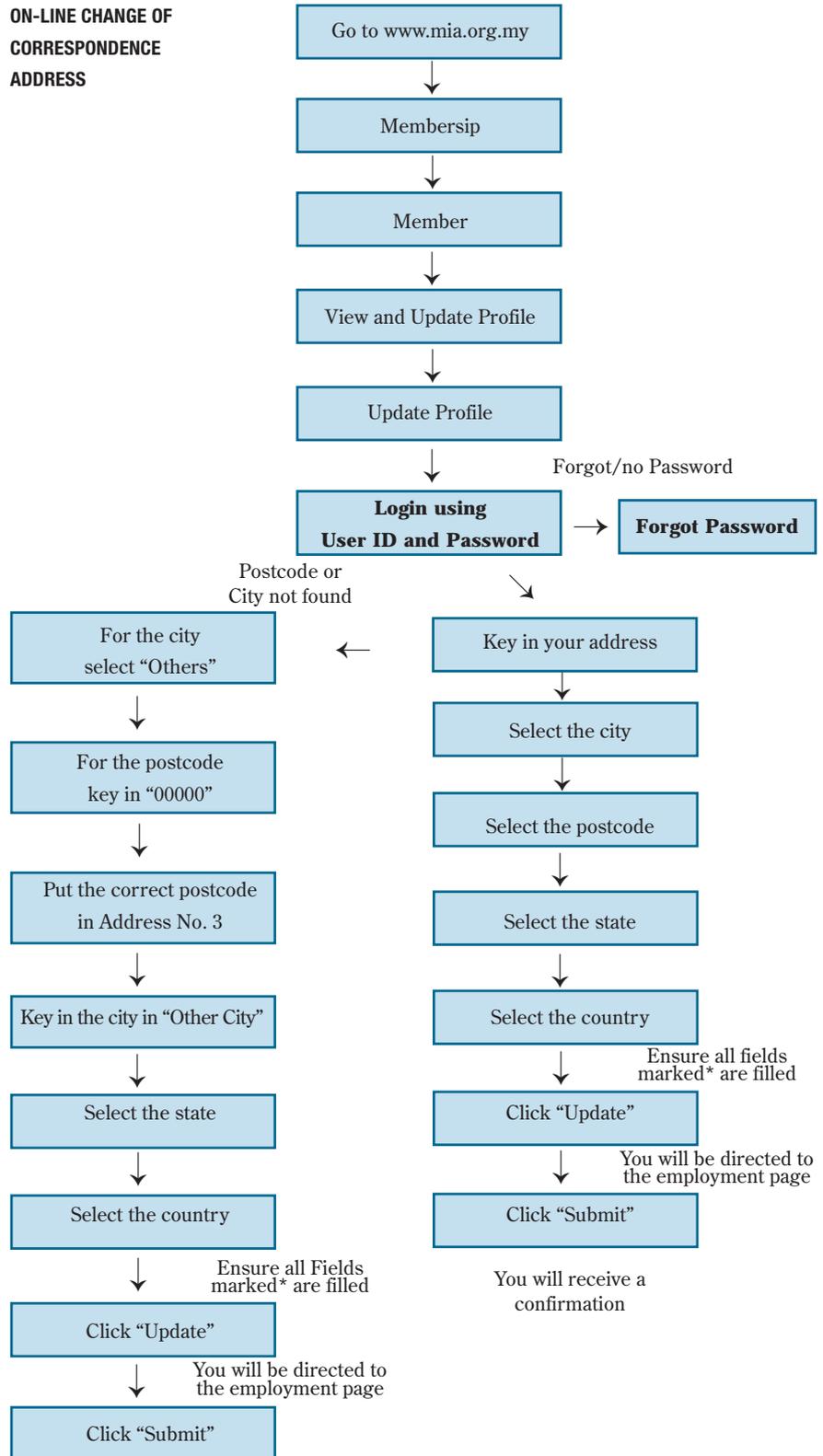
### Important notes

- 1 An applicant who decides to change the approved name, is required to submit a fresh application for the new name by completing Form MF-A.
- 2 The Registration of Firm Certificate is issued only once to the Head Office of a non-audit firm, and not for its branches.
- 3 Members are reminded to update MIA on changes in the particulars of their firms by filing Form M3 with the Institute within one month of the date of changes.

## What you can do on-line

- Check your membership status
- Update your particulars
- Update your CPE records
- Apply for a practising certificate
- Apply for approval of firm name (new or change of name)
- Change of address (head office and branch)
- Apply to register or cancel a branch
- Apply to convert the status of firm (non-audit to audit and vice-versa)
- Change of firm name
- Registration of associated firm

### ON-LINE CHANGE OF CORRESPONDENCE ADDRESS



# Firms Caught WITH Pants Down

Shamir Shah

*A KPMG report says businesses expect cross-border fraud to increase and that many are not prepared to tackle it*

In an age when criminals can digitally flash stolen money and intellectual property across the globe, corporations are often unprepared to investigate fraud if it occurs in a country other than where they are headquartered, according to new research by KPMG.

In a KPMG survey of senior business executives in 21 countries, 92 per cent of respondents said they didn't expect any reduction, and many expect an increase, in the number of international investigations in the coming year. However, 56 per cent said they had not implemented investigation procedures.

By contrast, 60 per cent of the executives acknowledged that planning an investigation remained key to its success.

Adam Bates, KPMG Forensic's global Chairman, said:

"The growth and the scale and sophistication of fraud and misconduct perpetrated against businesses around the world is accelerating.

"The negative impact in terms of lost revenue and property can be substantial. Personal and business reputations, market capitalisation, and investor confidence can all be rapidly and significantly impaired.

"What's more, when a business must respond to fraud and misconduct, its management is distracted from focusing on growing and developing the business."

The report, *Cross-Border Investigations: Effectively Meeting the Challenge*, said companies conducting business across international boundaries were recognising the corresponding increase in the risk of fraud and misconduct.

"However, it is clear from our research that some are more prepared than others.

Those organisations have bolstered their cross-border investigations capabilities either through adding in-house resources or by forming alliances with a third party, particularly in the more specialised areas such as electronic data capture and review and data analysis," said Bates.

The report noted that an effective cross-border investigations capability is just one



"Companies need effective fraud detection and investigative capability that is disciplined and lightning fast, a virtual police SWAT team."

Ooi Woon Chee, Co-Head, KPMG Financial Advisory Services, Malaysia

"Companies should establish broad investigative procedures, knowing that they should be tailored to each respective country, ideally with a well-trained local team that knows the language, culture, legal and regulatory environments."

Tan Kim Chuan, Head of Forensic, KPMG Malaysia



element in a comprehensive approach to risk management and investigation of fraud and misconduct.

An effective approach can lower the risk of the occurrence of fraud or misconduct, thus lowering the possibility of being hit with serious sanctions.

It can also demonstrate to regulators, shareholders, stakeholders, bond-ratings agencies, and the capital markets that the business takes accountability and control seriously, thereby reducing damage to reputations.

## Malaysian perspective

Ooi Woon Chee, Co-Head of KPMG Financial Advisory Services in Malaysia, said fraudsters operated undeterred by global boundaries.

"Companies need effective fraud detection and investigative capability that is disciplined and lightning fast, a virtual police SWAT team," Ooi said.

"In addition to financial loss, an ineffective investigative process can adversely reflect on an organisation's reputation, its risk management abilities, and its commitment to good corporate governance," he said.

To illustrate the speed at which fraud can occur, Ooi gave an example of a recent case involving a local manufacturing company, which suffered losses close to RM5.3 million as a result of misappropriation of company funds by a senior accounting staff.

The fraud was only discovered after a routine check by the sales director of the

overseas parent company after the staff had not reported for work for several days.

It was also discovered that in one month, RM670,000 had been withdrawn from the company's bank account by the employee.

Tan Kim Chuan, Head of Forensic in KPMG Malaysia, said: Multinational organisations often develop one-size-fits-all investigative policies and procedures across the many countries in which they operate, but each nation has its own, ever-changing regulatory and policing procedures that can stymie an investigation.

"Companies should establish broad investigative procedures, knowing that they should be tailored to each respective country, ideally with a well-trained local team that knows the language, culture, legal and regulatory environments."

### Stringent directives

At the same time, the report observed that the need for cross-border investigations is also being driven by ever-more stringent regulatory directives in many countries.

It gave the example of the Foreign Corrupt Practices Act (FCPA), the US Patriot Act, and the Sarbanes-Oxley Act of 2002 in the US.

In the UK, the Anti-Terrorism, Crime and Security Act 2001 includes extra-territorial provisions relating to corruption.

Another piece of legislation is the Proceeds of Crime Act 2002 that permits recovery of assets in the UK that are the proceeds of an act committed outside the UK and that is illegal in both the country where it is committed and in the UK.

In Australia, the impacting legislation is the Commonwealth Criminal Code Act 1995 that makes it an offence to bribe a foreign public official, whether in Australia or in another country.

One area of legislation that impacts how companies can access electronic data in international fraud investigations relates to the European Union's Directive on Data Protection (95/46/EC). This directive, which went into effect in 1998, prohibits the transfer of personal data to non-EU nations that do not

meet the European 'adequacy' standard for privacy protection.

While the US and the EU share the goal of boosting privacy protection for their citizens, the US takes a different approach to privacy from that taken by the EU, relying on a mix of legislation, regulation, and self-regulation, while the EU requires creation of government data protection agencies, registration of data bases with those agencies and, in some instances, prior approval before personal data processing may begin.

As a result of these different privacy

## Think, then Act

THE challenges associated with conducting cross-border investigations are complex, lending weight to the imperative for being properly prepared when incidents of fraud, corruption and misconduct occur.

An appropriate initial response can have a positive impact on the outcome. Wise organisations think first, and then act.

At the same time, no organisation can have a total understanding of the cultural differences or laws in each of the locations where it conducts business.

Further, an organisation doesn't need to know everything. Instead, it needs to know where to find what it needs and who to ask.

Frequently, it is the mishandling of electronic data and other evidence that causes problems in a cross-border investigation, given the many laws regarding the gathering, transporting and storage of such data.

*Excerpts from "Cross-Border Investigations: Effectively Meeting the Challenge"*

approaches, the directive could have hampered the ability of US companies to engage in many international cross-border transactions, including investigations.

As part of the Data Protection Directive, the US and the EU entered into the so-called "Safe Harbour Agreement," designed to bridge different privacy approaches between the EU and the US and offer a streamlined means for US organisations to comply with the directive.

Under this agreement, data transfers from the EU can be made to American companies that agree to meet certain intermediate privacy protection standards.

The financial services industry, however, is excluded from the Safe Harbour Agreement because of recent changes in US financial privacy laws under the Gramm-Leach-Bliley Act.

### Main points

Executives surveyed by KPMG say they are challenged around the globe by many factors when conducting cross-border investigations. These challenges are:

- Cultural, language and legal differences
- Identifying what should be their initial response to fraud
- Not having an investigative team with technical skills and experience
- The availability and accessibility of electronic data.

Tan added that there were steps that executives could take to improve international investigations of fraud, including:

- Assess and benchmark their organisation's investigation competence against industry-recognised 'better practice' capabilities
- Assess their investigation protocols and make sure that the board and audit committee are informed of all issues
- Ensure a single, global point of accountability for reporting incidents of fraud and misconduct
- Educate investigation teams on managing fraud and misconduct issues across borders

- Develop a written incident-response document that includes a comprehensive set of protocols

- Evaluate local legal requirements and the ability of the organisation's IT organisation to promptly retrieve data from systems in disparate global locations

Tan said that almost 80 per cent of the survey respondents believed that in the next five years, proficiency in information technology would be even more important than now to the success of cross-border fraud investigations.

The KPMG survey conducted during late last year and early this year brought responses from 103 senior business executives in North America, South America, Europe, Asia, Australia and Africa who are responsible for cross-border investigations within multinational businesses. **AT**

COVER

# Mini-ENRONS

## SHAKING UP Malaysia's Corporate Governance?

Abdullah Zaimee

*It's been some six years since the Enron Corp accounting scandal paralysed one of the world's leading electricity, natural gas, pulp and paper and communications companies with claimed revenues of US\$111 billion in 2000. Houston-based Enron achieved infamy at the end of 2001, following revelations that its reported financial condition was sustained mostly by institutionalised, systematic and creatively planned accounting fraud. The firm has since become a popular symbol of wilful corporate fraud and corruption.*

A spate of mini-Enrons has been hitting Malaysia lately, putting key players in the local corporate governance such as directors, managers, accountants, auditors, corporate advisors, Bursa Malaysia, the Securities Commission (SC), and even analysts and business journalists under the microscope. The issue raised questions of investors' confidence in the system and the local stock market. Disc maker Megan Media Holdings Bhd, state-controlled lender Bumiputra-Commerce Holdings Bhd and small technology firm Wimems Corp Bhd are among several Malaysian firms that have announced at least some form of financial irregularities recently.

But air cargo carrier Transmile Group Bhd is perhaps the highest-profile casualty. Transmile was alleged to have overstated its revenue by a total of RM522 million in financial years 2004, 2005 and 2006. In addition, RM341 million in its property, plant and equipment account appear to have been fabricated as the amount was little supported by documents. The company was also said to have made payments totalling RM189 million last year and this year, without any supporting payment vouchers.

The Malaysian Institute of Accountants (MIA) too, being the regulator for the accountancy profession in the country, has been taken to task on what went wrong. How can swift action be taken and should such transgressions be severely punished?

MIA President Abdul Rahim Abdul Hamid believes the skeletons coming out



Abdul Rahim Abdul Hamid, President, MIA

“So far, no one has filed a complaint with us on Transmile or Megan Media. We want to act proactively but there are legal risks involved. Right now, our Disciplinary Rules say we act upon receiving complaints against members. We are in the process of changing this.”

“At the height of the Enron debacle, the first thing said by (former MIA president) Datuk Dr. Abdul Samad Haji Alias when he became president was that there are Malaysian Enrons ...”



Datuk Dr. Abdul Samad Haji Alias

of the closet are not good news, but says checks and balances are already within the system with the likes of Bursa Malaysia, the SC, Companies Commission of Malaysia and even MIA.

“At the height of the Enron debacle, the first thing said by (former MIA president) Datuk Dr. Abdul Samad Haji Alias when he became president was that there are Malaysian Enrons,” he adds. (Coincidentally, Abdul Rahim became MIA President

amid this latest slew of accounting irregularities, just like when Datuk Dr. Abdul Samad was appointed at the time the Enron scandal was still hot.)

Abdul Rahim agrees with Datuk Dr. Abdul Samad's view stated in 2001 that the human factor is the main cause for less-than-honest corporate reporting and that there has been disparity in the public's expectations of the duties of auditors' and scope of audit, and auditor's own ideas of their roles. The responsibility of any wrongdoing in any company is on the shoulders of directors, senior management team as well as the auditors among others.

Abdul Rahim also agrees with his predecessor that there are misconceptions

that it is the auditor's role to prepare the company's set of accounts and that the onus is upon directors and management of a company to ensure that the financial statement is prepared in compliance with accounting standards and statutory requirements. The auditor's responsibility is to express an opinion as to whether the set of accounts gives a true and fair view of the company in accordance with the financial reporting framework.

### Accountants' integrity at risk?

Naturally, the integrity of accountants — both as auditors and as part of the companies' management — has come into question, putting the MIA under the spotlight. Because it regulates the accounting profession, people wonder if MIA is doing enough to ensure that its members are punished for unethical conduct.

"People are asking us what are you doing in light of this? That's difficult to answer. We have our own set of rules and regulations, and disciplinary process," Abdul Rahim says.

The MIA cannot initiate investigations without receiving complaints or referrals for fear that it can lead to a minefield, he clarifies. The main argument is that the members involved may sue on the basis that the legal framework does not support such a course of action. At the same time, it may be wrong to assume that the recent series of accounting-related woes at several listed companies are indications of trouble in the accounting fraternity.

Says Abdul Rahim: "So far, no one has filed a complaint with us on Transmile or Megan Media. We want to act proactively but there are legal risks involved. Right now, our Disciplinary Rules say we act upon receiving complaints against members. We are in the process of changing this."

**"MIA doesn't regulate companies; we regulate our members. Even if we are to pursue someone, it's going to be quite challenging."**

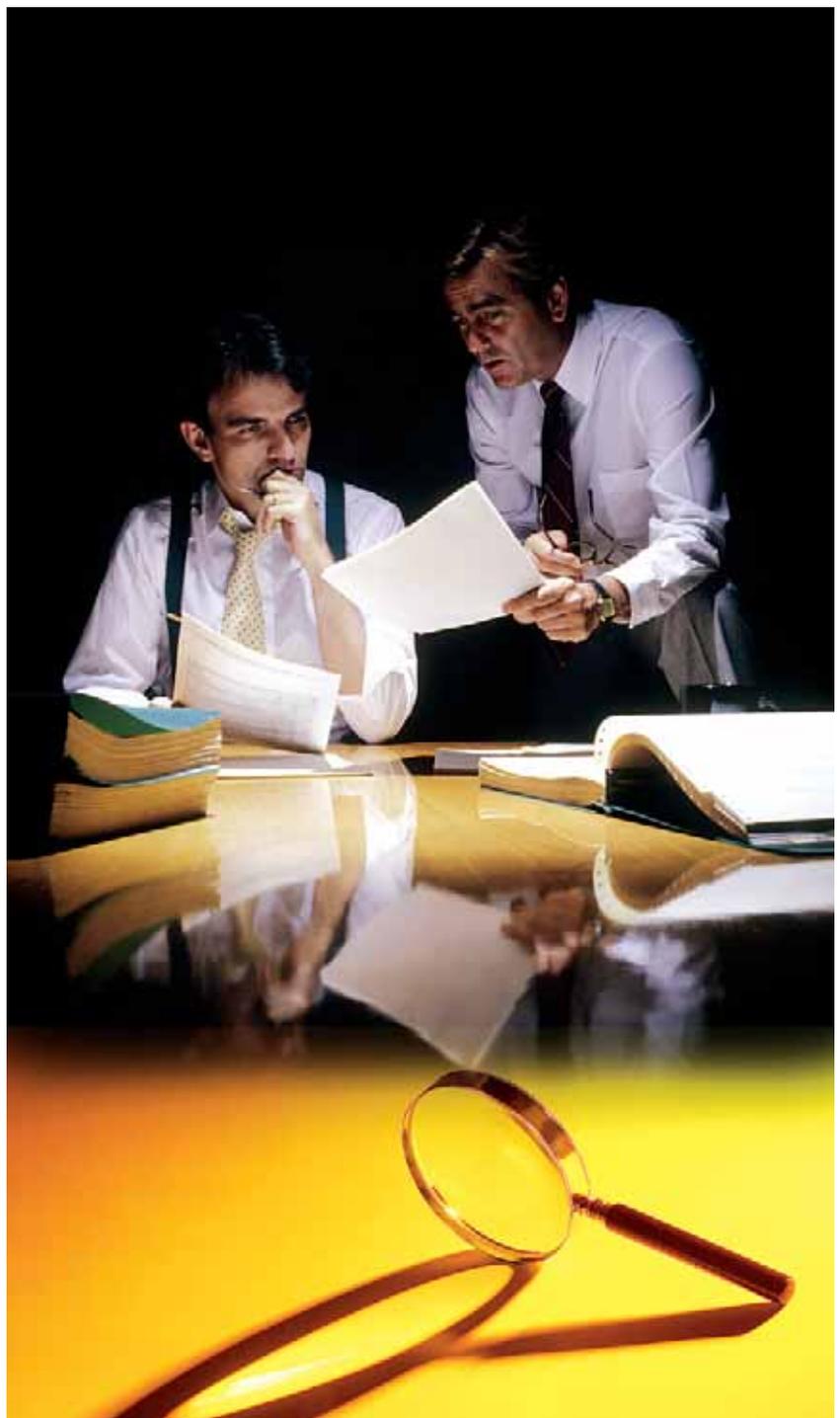
**Abdul Rahim Abdul Hamid, President, MIA**

MIA, already foreseeing such problems since the Enron debacle, has been persistently working since then to have the law amended so that it can immediately investigate members for suspected wrongdoings without waiting for complaints and referrals. The relevant statute is the Accountants Act 1967, which last saw major changes about six years ago.

The Institute is looking into proposing "quite significant changes" to the Act that will allow it to engage in the hot pursuit of bad accountants. "But we don't want to be a prosecutor or a judge at the same time. MIA doesn't regulate companies; we regulate our members. Even if we are to pursue someone, it's going to be quite challenging," Abdul Rahim says.

He also suggests a greater co-operation between MIA and other regulators like Bursa Malaysia and

**"The MIA cannot initiate investigations without receiving complaints or referrals for fear that it can lead to a minefield. The main argument is that the members involved may sue on the basis that the legal framework does not support such a course of action. At the same time, it may be wrong to assume that the recent series of accounting-related woes at several listed companies are indications of trouble in the accounting fraternity."**



the Securities Commission to facilitate the Institute's investigation by allowing it access to reports or accounts of a company alleged of wrongdoing.

MIA accepts complaints from anybody (including audit clients and other users of accounts, such as creditors), provided these are lodged according to its disciplinary rules. The Institute has also commenced investigations following referrals by the authorities, usually the SC.

In the case of a referral, the president or another MIA council member acts as the complainant. Under the rules, such a move is permitted "where facts are brought to the knowledge of the Council which indicate that a member has done something which renders an investigation necessary."

A formal complaint against an MIA member goes to the Investigation Committee, which determines whether there are sufficient grounds for disciplinary proceedings to be taken against the relevant accountant.

If there is enough to support the complaint, it is next taken up by the Disciplinary Committee, which holds a hearing and imposes punishments if the member is found guilty of unprofessional conduct. The Disciplinary Appeal Board presides over the appeal process.

Between July 2001 and December last year, the Disciplinary Committee has heard 18 cases. Of these, eight have been dismissed, while three are pending. Members who were found guilty in respect of the seven other cases have been disciplined; the punishments include a three-year suspension of membership and penalties of RM1,500 to RM3,000.

The MIA has about 23,000 members. Essentially, anybody who wants to be called an accountant has to be registered with the Institute. This applies to those who practice through accounting firms.

### Accounting irregularities a test of investors' confidence

Analysts and fund managers say the recent revelations were all "shocking," but

**"The two or three cases are not that major to erode investors' confidence. In fact, investors are more careful now before investing in the market."**

**Tan Teng Boo, Chief Executive Officer, i.capital.biz Bhd**

governance and this is an on-going effort, they add.

"The two or three cases are not that major to erode investors' confidence. In fact,

the cases were isolated and do not reflect the true situation on the ground. Investors' confidence in the Malaysian market is still strong because the country has done a lot over the years to beef up corporate

governance and this is an on-going effort, they add. "The two or three cases are not that major to erode investors' confidence. In fact, investors are more careful now before investing in the market."

governance and this is an on-going effort, they add. "The problems are coming from the Lower Crust. Many among the lower end comply with the Malaysian Code of Corporate Governance, but only do it to the barest minimum," he adds.

### Stern action is needed though

Still, investors and the likes of MSWG, which champions the cause of minority



**"MSWG has urged the regulator to examine the role played by the external auditors and take speedy action to bring those at fault to task. And the SC and Bursa Malaysia have responded that they will take swift action to clamp down hard on those responsible and restore confidence in the market."**

investors are more careful now before investing in the market," said i.capital.biz Bhd Chief Executive Officer Tan Teng Boo.

Minority Shareholder Watchdog Group (MSWG) Chief Executive Officer, Abdul Wahab Jaafar Sidek, said the best companies in Malaysia have taken the Code of Corporate Governance to heart; hence there are few scandals involving the huge companies that could cause the market to crash.

"The GLCs (government-linked compa-

shareholders in Corporate Malaysia, are angry and want the authorities to take tough actions on those responsible.

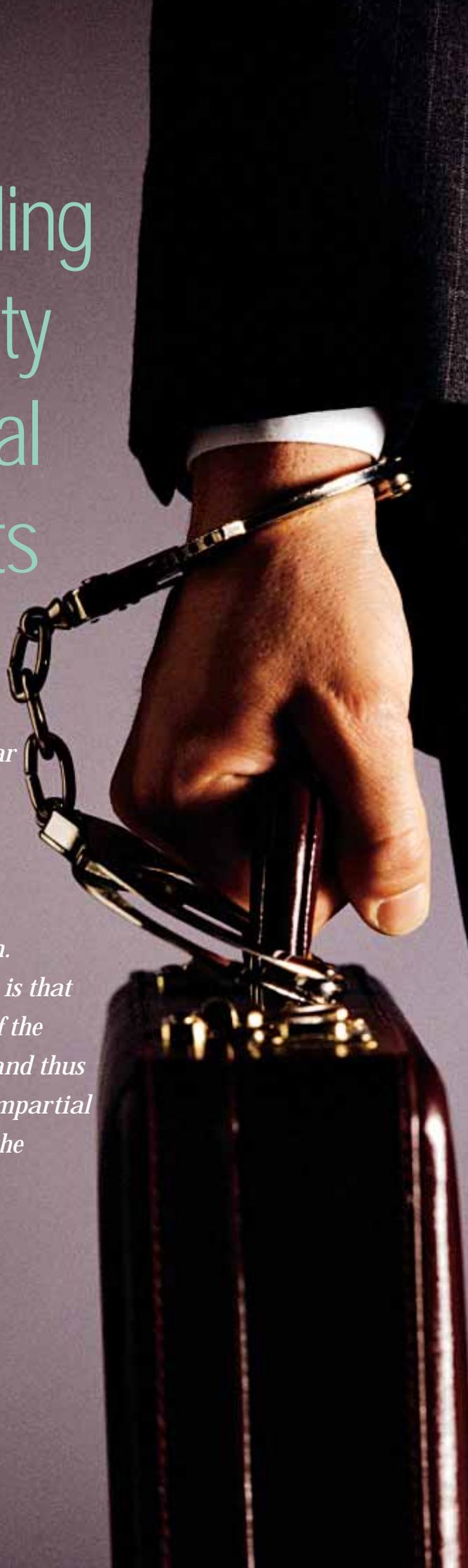
MSWG has urged the regulator to examine the role played by the external auditors and take speedy action to bring those at fault to task. And the SC and Bursa Malaysia have responded that they will take swift action to clamp down hard on those responsible and restore confidence in the market. **AT**

# Safeguarding THE Integrity OF Financial Statements

Shamir Shah

*UK companies spend nearly £1.5 billion each year on audits, but these offer little protection to stakeholders. It is time to replace them, argues a columnist in The Guardian.*

*“A common understanding is that auditors are independent of the company and its directors and thus are in a position to make impartial judgements. This is one of the biggest hoaxes of all time,” writes the columnist in the London-based daily.*



**A**t this point in time, these words will ring a bell for all market related players in Malaysia, as well. The local stock exchange has been kept busy with a number of unfavourable accounting and governance gymnastics. The irregularities, causing concern on the local stock exchange, bring into sharp focus the role and responsibilities of audit committees.

In order for audit committees to operate effectively, notes Malaysian Institute of Accountants President Abdul Rahim Abdul Hamid, the outfits must comprise individuals who are competent, independent, vigilant, experienced, proactive and willing to ask challenging questions about their companies' management.

"The Institute notes with concern that despite legislative support for the establishment of audit committees, some listed companies are resistant to an audit committee that is independent both in substance and in form," he adds when commenting on the spate of incidents of financial irregularities.

The shocker would certainly be Transmile Group Bhd, probably taking top spot for being the highest-profile casualty among a spate of Malaysian firms to announce financial irregularities. The Malaysian air cargo carrier, backed by Hong Kong-based billionaire businessman Robert Kuok, was at one time a darling of the stock market. Towards the end of May, Transmile told Bursa Malaysia that a special audit by Moores Rowland Risk Management revealed that Transmile's revenues and pre-tax profits for 2005 and 2006 may have been overstated. Later, it even extended to 2004 as well.

Just as the Transmile issue was unfolding, on 28 May 2007, the Securities Commission (SC) charged two directors of NasionCom Holdings Bhd and a shareholder of a unit for their alleged roles in submitting false information in the company's 2005 financial statements and its listing prospectus. Days later, Bumiputra-Commerce Holdings Bhd, parent to one of the country's largest banks, announced that an audit showed Southern Bank Bhd, bought by the company last year, overstated its 2005 assets by RM160 million. This was followed by revelations about a number of other public-listed com-

panies. Computer-storage product producer Megan Media Holdings Bhd was the next bearer of bad news. On 7 June 2007, it announced that a probe into a unit showed 'substantial irregularities' that may lead to a RM456 million ringgit asset shortfall.

### Managing the issue

Regulators and other relevant bodies are certainly taking the issues seriously. The SC has given a clear warning that it will take 'swift and firm enforcement actions' against perpetrators of market abuses.

According to MIA's records, the SC re-



"The Institute notes with concern that despite legislative support for the establishment of audit committees, some listed companies are resistant to an audit committee that is independent both in substance and in form."

**Abdul Rahim Abdul Hamid, President, MIA**

ferred 10 cases to the Institute over the last two years. The cases are under various stages of investigation by the Institute. MIA has stated that members have not been reprimanded as the Institute is still in the midst of investigating the matter.

Bursa Malaysia, operators of the local stock exchange, have also sent out a clear warning to parties involved. Selvarany Rasiah, the bourse's Chief Legal Officer, said action will be taken against any company which fails to comply with Bursa Malaysia's Listing Requirements (LR). "We already have a very stringent framework, and if there are any delays, misleading statements or lack of accuracy, action will be taken, not just against the company but also its directors," she said when commenting on the recent alleged irregularities, reported Bernama.

### Role of Audit Committees

On the audit committees, as expected, the media has shown keen interest with regard to the independence of the committees.

The key question anchored around the independence of the audit committees. The

earlier quoted columnist from *The Guardian* had this to say: "A common understanding is that auditors are independent of the company and its directors and thus are in a position to make impartial judgements. This is one of the biggest hoaxes of all time. Company auditors are hired, fired and remunerated by directors though their decisions are rubber-stamped by shareholders. Many auditors also sell tax avoidance and a variety of consultancy services to client companies. This gives them a direct interest in corporate transactions and they have rarely exposed any shady dealings."

On this issue, MIA President Abdul Rahim says since the committee comprises members of the board of directors of a company, it can never be said to be really independent. But the individual independent directors need to uphold their "independent" roles effectively.

For an audit committee to operate effectively, non-executive directors and members of the audit committee must also have a clear appreciation of their functions and duties, and that of the board of directors, senior management and auditors, says Abdul Rahim.

"If necessary, non-executive directors and audit committees should be empowered to seek independent expert advice not only on financial reporting issues but also other matters they are not familiar with. We believe that to enable the members of the audit committee and/or independent non-executive directors to carry out these onerous tasks, they must be appropriately compensated and adequate resources must be provided by the company to support them in their duties. Members of the

audit committee and/or independent non-executive directors require sufficient time to devote to the tasks at hand,” he said.

MIA notes with concern that despite legislative support for the establishment of audit committees, some listed companies are resistant to an audit committee that is independent both in substance and in form.

“Greater awareness and acceptance needs to be inculcated among corporate players as to the long-term value and benefits that can be derived through independent audit committees and active independent non-executive directors with public confidence being the primary benefit. Otherwise, the audit committee is rendered an ineffective corporate governance mechanism or a ‘toothless tiger’,” he said.

On improving the function and accountability of the audit committees, Abdul Rahim says it can be done through better understanding and implementation of corporate governance and effective internal controls.

“We strongly feel that corporate accountability and effective internal controls are fundamental in achieving good corporate governance, and can only be safeguarded through appropriate disclosure and transparency when reporting to the capital markets,” he says.

MIA takes the view that there is a continuing need to remind the board of directors and senior management of public-listed corporations and other public interest entities of their fundamental roles and responsibilities and to ensure that these roles and responsibilities are clearly understood and accepted.

“To achieve this, the corporate governance framework must have a clear delineation of power and responsibilities, and must encompass appropriate mechanisms for checks and balances between the key players. Audit committees, independent non-executive directors, executive directors and senior management all play vital roles in good corporate governance,” he said.

### Key measures

MIA has also taken a number of measures to enhance its monitoring and regulation mechanism. Among others, these are:

#### 1 Entry Requirement for Membership

— At the entry level for admission to membership, the Institute has used the International Education Guidelines issued by the IFAC as a benchmark for accreditation, whereby these guidelines place significance on



“We strongly feel that corporate accountability and effective internal controls are fundamental in achieving good corporate governance, and can only be safeguarded through appropriate disclosure and transparency when reporting to the capital markets.”

Abdul Rahim Abdul Hamid, President, MIA

inculcating principles of professionalism, high standards of quality and independence in accountancy students even prior to embarking on a career as approved company auditors.

#### 2 Continuing Professional Education

— The Institute has always stressed the need for members to be competent and to keep up to date with the latest developments affecting the profession through compliance with mandatory requirements for Continuing Professional Education that are consistent with international standards. The Institute through its By-Law on Continuing Professional Edu-

cation (CPE) has always stressed the need for accountants, when providing professional services, to do so with proper regard for the technical and professional standards expected as a member of the Institute

#### 3 Standards on Auditing

— The Institute issues standards on quality control for audits as well as the Malaysian Approved Standards on Auditing which are adopted from international quality control and auditing standards issued by the International Federation of Accountants (IFAC). These quality control and auditing standards are required to be adhered to by approved company auditors who are all members of the Institute, when carrying out audits on financial statements of companies and other entities.

#### 4 Practice Review

— The Institute in 2002 initiated a quality assurance programme for audit firms through the process of Practice Review. This process involves the mandatory inspection of audit firms’ practices in carrying out audit work, in order to assess due compliance with quality control, auditing and ethical standards, and to monitor the quality of audits of financial statements carried out by company auditors. As to those firms which have no adequate processes or which fall far short of the desired standards, complaints will be lodged against them and they will then be subject to investigation and disciplinary proceedings.

#### 5 The Investigation & Disciplinary Processes

— The Institute is empowered by the Accountants Act 1967 to investigate and take disciplinary action against its members, which power it exercises regularly and conscientiously, for breaches of ethical and professional standards or unprofessional conduct. This is undertaken through its Investigation and Disci-

iplinary Committees and the Disciplinary Appeal Board, which are statutory committees established under the Accountants Act 1967.

#### 6 **Financial Reporting Standards Implementation Committee (FRSIC)**

— The Institute recently formed a FRSIC to provide assistance to MIA members on matters of common interest relating to accounting standards by way of providing implementation guidance to both preparers and auditors. FRSIC consists of up to seven members experienced in the technicalities of financial reporting. The membership includes four Council Members of the Institute, one of whom is the Chairman, and three members from professional bodies recognised under Part II of the First Schedule to the Accountants Act 1967. There are also five observers from regulators and standard setters, namely SC, BNM, BM, SSM and MASB. The involvement of the regulators is to ensure that they are aware of issues arising in the profession and to enable them to provide FRSIC the views of the agencies they represent. However, they are not voting members.

#### 7 **Financial Statements Review Committee (FSRC)**

— Review exercises are undertaken by the Institute through the FSRC for the purpose of determining compliance with statutory requirements, approved accounting and auditing standards, and generally accepted accounting and auditing principles and practices. The review covers public-listed companies, non-listed companies and government-linked corporations. The Institute looks into matters referred to it by the regulators and also reviews the financial statements where there are public interest issues.

It also has to be noted that the Institute has recently endorsed a policy whereby priority will be given to referrals by other regulators. This is to ensure that such cases are dealt with urgently in order to safeguard public interest. **AT**

# Fighting THE Perpetrators OF Market Abuse

*The Securities Commission Chairman says it will come down hard on those who abuse the country's markets*

**T**he Securities Commission, regulators of the financial markets, has given a clear warning to the market. It will take 'swift and firm enforcement actions' against the perpetrators of market abuses.

Securities Commission (SC) Chairman Datuk Zarinah Anwar, in a recent speech, said that there would always be the few attempting to abuse the markets either through manipulation of share prices or through perpetrating corporate fraud and transgressions, such as manipulating the financial accounts of companies. This happens across countries and across time. It

is apparent that even in the most developed and highly regulated markets, corporate shenanigans will unfortunately rear its ugly head periodically.

"We have seen this happen here over the last few years with the likes of Energro, Pasaraya Hiong Kong, GP Ocean and Nasioncom and more recently Transmile and Megan Media. Our response to these developments is very clear — the SC will take swift and firm enforcement action against the perpetrators," she said in a speech at the Malaysian Investment Banking Association (MIBA) Regional Capital Market Conference.

"We have seen this happen here over the last few years with the likes of Energro, Pasaraya Hiong Kong, GP Ocean and Nasioncom and more recently Transmile and Megan Media. Our response to these developments is very clear — the SC will take swift and firm enforcement actions against the perpetrators."

**Datuk Zarinah Anwar, Chairman, Securities Commission**



The warning comes in the wake of a string of companies reporting accounting irregularities or other auditing issues since the start of May. The concerns began when Transmile Group Bhd, an air-freight company backed by billionaire Robert Kuok, revealed financial irregularities in its books. This was followed by computer-storage products maker Megan Media Holdings Bhd announcing ‘substantial irregularities’ in one of its units.

In the speech, entitled “Future Direction of the Legal and Regulatory Framework for Malaysia’s Capital Markets,” Zarinah said there was a range of enforcement powers available to the SC and “I will be very clear - we will use all these powers and leave no stone unturned in our investigative and enforcement efforts, to come down hard on any one that abuses our market.”

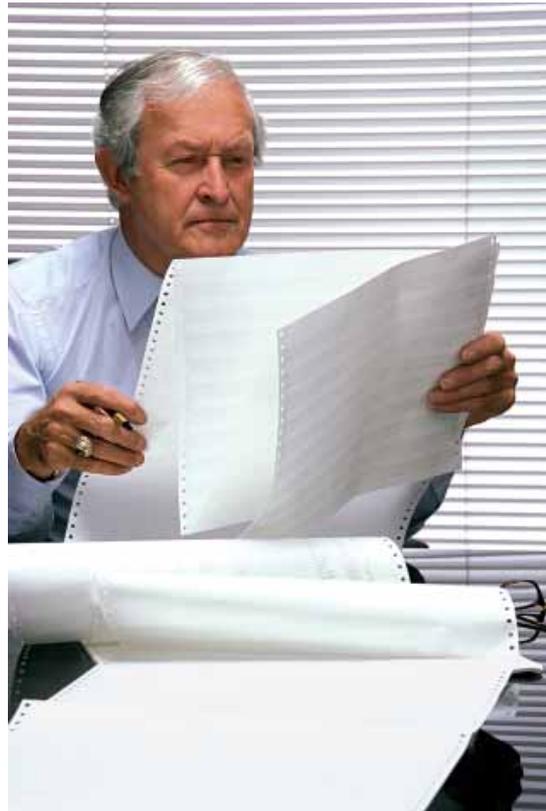
The regulating body chief said she was heartened to note that many aspects of the existing framework for corporate governance and financial reporting had played a key role in maintaining high overall standards and that this has been acknowledged internationally.

“Our whistle blowing provision, for instance, has played a key role in assisting the SC’s enforcement efforts. We also have in place a mandatory requirement in law for compliance with accounting standards that, coupled with a robust corporate surveillance programme in the SC, has helped identify instances of corporate financial irregularities and is even being replicated in other jurisdictions in the region.

“However, I am firmly of the view that a lot more can be done by company directors, audit committees and auditors among others to instil the right level of self discipline that will reduce the occurrence of the types of corporate transgressions that we have been seeing,” she said.

The SC has been working with the Malaysian Institute of Accountants (MIA) on this matter.

The SC has referred 10 cases to the Institute over the last two years. The cases are under various stages of investigation by the Institute. MIA has stated that the



members concerned have not been reprimanded as the Institute was still in the midst of investigating the matter.

### Company directors and audit committee

In the speech, Zarinah also discussed some salient areas concerning key players of the market: company directors and audit committee.

With regard to company directors, she pointed out that they are under a fiduciary duty to act in the best interest of the company, to protect the company’s assets and safeguard the interest of all shareholders.

“They must exercise the requisite duty of care; there must be heightened awareness of the need to be vigilant and to oversee management, foster integrity and prevent transgressions. Independent directors must not only be independent in their decisions and protect the interest of shareholders but must have the necessary levels of experience, knowledge, diligence and skills to be able to question and challenge and review the adequacy of the companies’ internal control systems,” she said.

Where some of these responsibilities are delegated to board committees like the audit committee, she added, it is incum-

bent on members of the audit committee to ensure that they effectively discharge their responsibilities.

“Audit committees have a key role to play in ensuring the integrity of the financial statements that are approved by the company for release to the investing public. Members of the audit committee must evaluate the quality of the external and internal auditors. They must probe and assess the extent of issues that management and auditors pay attention to. They must be able to assess the quality and competence of the company’s financial management. An effective audit committee can play a key role in enhancing the reliability of financial statements of public companies.

“Over the last few years, company auditors have come under intense focus worldwide in light of some spectacular corporate failures and I fully share the sentiments of my colleagues

globally on the role of the audit and accounting profession in maintaining the integrity of the financial reporting process,” she said.

She also discussed the reliability of financial statements, a key element in some recent financial irregularities on the local market.

“Investors rely on financial statements as a key medium to evaluate their decisions and therefore we will always be concerned about the quality of information provided in these financial statements. If auditors fail to deliver a quality audit, investor vulnerability to misstated financial statements and fraudulent financial reporting will continue to remain,” she said.

Zarinah pointed out that the SC’s ultimate focus was to protect investors and ensure the integrity of the capital market.

“However I cannot but emphasise yet again that accountability is not limited to regulator-led prosecution under securities laws. A diligent and responsible board, honest and ethical management led by the CEO, proactive and responsible professionals all play an important role in complementing the efforts of the regulator to prevent wrongdoing and to identify and assist us to prosecute wrongdoers,” she added. **AT**

**ADVERT**

# Icing ON THE Cake

Shamir Shah

*Khazanah Nasional's net worth increased by RM29 billion in the three years since the revamp of its mandate*

**G**overnment investment arm Khazanah Nasional Bhd said its net worth had increased by RM28.9 billion or 87 per cent from RM33.3 billion to RM62.2 billion in three years. On a compounded annual basis, that's a growth rate of 22.8 per cent.

In that period, it made 28 investments worth RM21.1 billion and also paved the way for the restructuring of corporations, such as Malaysia Airlines and RHB Bank.

But the icing on the cake must have been the acknowledgement of Khazanah as a role model for Indonesia.

Indonesia's newly-appointed State Enterprises Minister Sofyan Djalil said: "We aim to set up a super holding company such as Temasek or Khazanah, under which state assets are put into one big holding company."

Sofyan, who oversees assets of about 1,300 trillion rupiah (RM512.5 billion), however, said the holding company was two years away.

Temasek is Singapore's state investment arm with assets worth more than RM500 billion.

Khazanah Nasional is the investment-holding arm of the Malaysian government and is empowered as the government's investor in new industries and markets. As trustees of the nation's commercial assets, its goal is to promote economic growth and make investments on behalf of the government.

The agency also nurtures the development of selected industries in Malaysia.

Khazanah Managing Director Datuk Azman Mokhtar said it would focus on tapping cross-synergies in its companies and assets in the next three years

Citing one example, he said Khazanah had investments in healthcare that could be related to its investments in pharmaceu-

ticals.

In the briefing, Khazanah said it had made significant progress in restructuring legacy investments. It said it had restruc-



tured eight out of 11 companies while three were expected to be completed by year-end.

Besides MAS and RHB Bank, the other restructured companies are Silterra Malaysia Sdn Bhd, Malaysian Technology Development Corp, UDA Holdings Bhd, Northern Utility Resources Sdn Bhd, Crystal Clear Technology Sdn Bhd and Tradewinds Corp Bhd.

Ongoing restructure work involved Proton Holdings Bhd, Time dotCom Bhd and Malaysia Airports Holdings Bhd.

Khazanah said it had achieved returns of RM8.9 billion or 42.4 per cent during the holding period to date. Of this, 16 major domestic investments of RM15.2 billion and 12 foreign investments of RM5.8 billion were made.

The Putrajaya Committee for Government-Linked Companies Transformation, with Khazanah as its secretariat, has launched 10 initiatives under the GLC transformation programme.

It has now moved into the third phase, which would see tangible and sustained benefits in all GLCs.

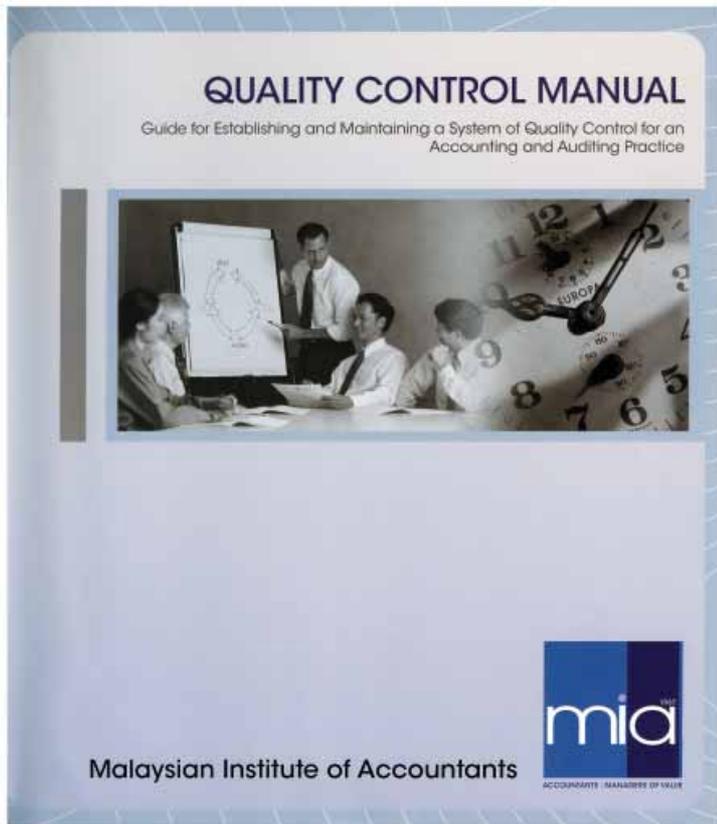
Khazanah has also made several overseas investments in healthcare, agriculture and insurance.

Regionally, it made new investments in Indonesia, Singapore, China, India and Saudi Arabia. On the domestic front, it delivered in its role as master planner for the Iskandar Development Region (IDR) with the launch of the IDR and the Comprehensive Development Plan in November.

Several consortiums, including one formed by six local tycoons, were in negotiation with Khazanah on development projects in the IDR, said Associated Chinese Chamber of Commerce and Industries of Malaysia President Tan Sri William Cheng.

Earlier, Cheng was reported as saying the consortium formed by local Chinese businessmen would likely focus on developing hotels, hospitals, malls and university campuses in the IDR. **AT**

# International Standards on Quality Control (ISQC) 1



As a practising member, are you aware that the ISQC has been effective since 1 July 2006? As part of the profession's commitment to improve the quality of work and to protect the reputation of our members in the provision of assurance services, the Council of the Institute has deemed fit to introduce the ISQC at the same time as it comes into effect at the IFAC level.

The purpose of the ISQC is to establish basic principles and essential procedures regarding a firm's responsibilities in the area of quality control for audit and reviews of historical information and for other assurance and related service engagements.

In designing the system of quality control, the standard mandates policies and procedures addressing each of the following elements that should be in place:

- 1 leadership responsibilities for quality within a practice;
- 2 a commitment to ethical requirements by all personnel within a practice;
- 3 visible processes in the acceptance and continuation of client relationship and specific engagement needs;
- 4 effective human resources planning and deployment;
- 5 engagement performance that complies with the basic requirements of the International Standards on Auditing as well as the recommended practice guidance issued by the Institute; and
- 6 active monitoring process to ensure consistency of applications.

**MIA MEMBER PRICE RM100.00**

ISQC will apply to all member firms regardless of size. The quality control policies and procedures are to be documented and communicated to the firm's partners and staff.

In order to assist our members, MIA in collaboration with CCH has launched a manual that intends to guide our members to full compliance with the requirements under the ISQC. Members can get a copy of this through MIA at RM100 per copy. As stocks are limited, it will be on a first come first served basis.

## ORDER FORM

I/We would like to order  copy/copies of the International Standards on Quality Control (ISQC) 1

Name (Mr/Mrs/Ms) : \_\_\_\_\_

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# Wheels OF Change

Martin Fahy and Chris Fuller

*Finance and accounting outsourcing (FAO) has already had a major impact on finance business partnering and analytics, but as we broaden our understanding of the issues, FAO itself is growing more complex. CIMA's Martin Fahy and Chris Fuller look at how market leaders are ushering in a second wave of FAO, and gradually moving towards a new paradigm: knowledge process outsourcing (KPO).*

It is now 15 years since BP in Aberdeen signed the first finance and accounting outsourcing (FAO) deal with what was then Andersen Consulting (now Accenture). Since then, FAO has grown to become an established part of the finance transformation landscape and an increasingly widely adopted component of finance restructuring in large multinational organisations. In the last 12 months, Unilever, Cadbury Schweppes, Lindt, Diageo, GSK and other large multinational firms have all embarked on FAO projects.

To date, FAO has been viewed as a mechanism to reduce finance transaction processing costs by moving structured operational tasks, such as accounts payable and other lower-skill activities, to lower-cost offshore locations.

While the move towards FAO has been driven by labour arbitrage around low-skilled processes such as purchase to pay, order to cash and fixed assets, our research suggests that FAO is rapidly moving up the finance value chain, and leading firms are now moving beyond traditional FAO towards knowledge process outsourcing (KPO).

Under this approach, firms are leveraging the substantial pools of highly educated business graduates in countries such as India, Malaysia, Central Eastern Europe and China to move value-added finance business partnering type activities to lower-cost and, crucially, more effective locations.

This is a significant departure from the buy-side market perception that only struc-



tured operational transaction processing can be moved to FAO delivery centres. The growing confidence in vendor domain expertise goes some way to exhausting the arguments of those who believe that FAO is a passing fad. The experience of a small group of leading firms suggests that firms will outsource higher-level analytical and finance business partnering roles to FAO delivery centres in near and offshore locations.

During 2006 we conducted structured interviews with FAO analysts, business process outsourcing (BPO) vendors and 25 senior finance professionals from large organisations that have entered FAO agreements or were in the process of moving to FAO. This research, along with previous work, provides the basis for examining the role FAO has played in facilitating finance transformation and its emerging position in support of effective business partnering.

## From captive shared service centres to transactional FAO

Finance functions are faced with the dual challenge of meeting an increasing compliance burden and reducing finance costs to the world-class benchmark of less than 0.75 per cent of revenues. While single-instance enterprise resource planning, single global processes and captive shared service centres have played an important role in achieving these conflicting objectives, CFOs are increasingly looking to a small number of global finance and accounting outsourcing vendors to provide a quicker route to the necessary efficiencies and associated cost savings.

The earliest attempts at reducing finance costs consisted of captive finance and accounting (F&A) delivery centres, where firms established regional and/or global service delivery centres, which they operated themselves (see Figure 1).

Typically these centres focused on purchase to pay, finance and accounting, travel and expenses, and general ledger processing. Within a relatively short period of time, large multinationals began to look to (non-captive) vendors such as Accenture, IBM, Genpact, Capgemini and WNS to take responsibility for the core F&A transaction activities. These vendors quickly established a global network of multi-shore delivery centres in cities from Chennai to Krakow to Dalian.

The adoption of FAO was motivated by wider finance transformation objectives, which, according to outsourcing advisory company Equaterra, included:

- guaranteed operational cost savings through economies of scale and scope and access to low-cost global labour, with savings typically stated at 20-40 per cent on a seven to ten-year basis.
- improved quality of service delivery.
- improved cash flow/working capital savings.
- avoidance of the capital expenditure required to make individual, company process-based improvements and technology upgrades.
- accelerated transformation to best in class service delivery through access to service providers' intellectual capital, best practices and competencies.
- accelerated ongoing improvement.
- improved performance management and measurement of services with increased visibility and clarity across companies.
- increased controls and accountability, and process and cost structure adaptability to changing business conditions
- enhanced ability to focus on core businesses and processes.

Accepted wisdom suggested that firms should move sequentially from a geographically distributed finance operation into shared services and selective FAO. By 2005 a number of firms were willing to trade the savings captured from the intermediate step into shared services for the

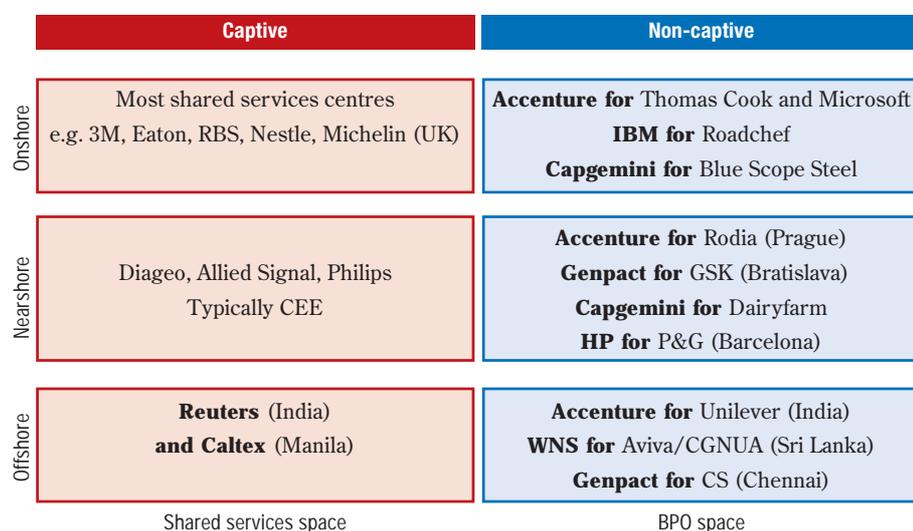
quick wins provided by FAO providers. The move directly to FAO was driven by a number of considerations, including:

- the lack of resources and focus for taking internal improvement to the next level of performance.
- competitive pressures driving overall margins down, particularly when faced with the threat of private equity investors.
- a lack of capital to renew or extend enterprise resource planning (ERP) and other technology investments.
- wider organisational changes in the form of mergers and acquisitions, divestitures, contraction and growth
- the need to focus on value-added business partner activities in the face of increasing regulatory pressures.

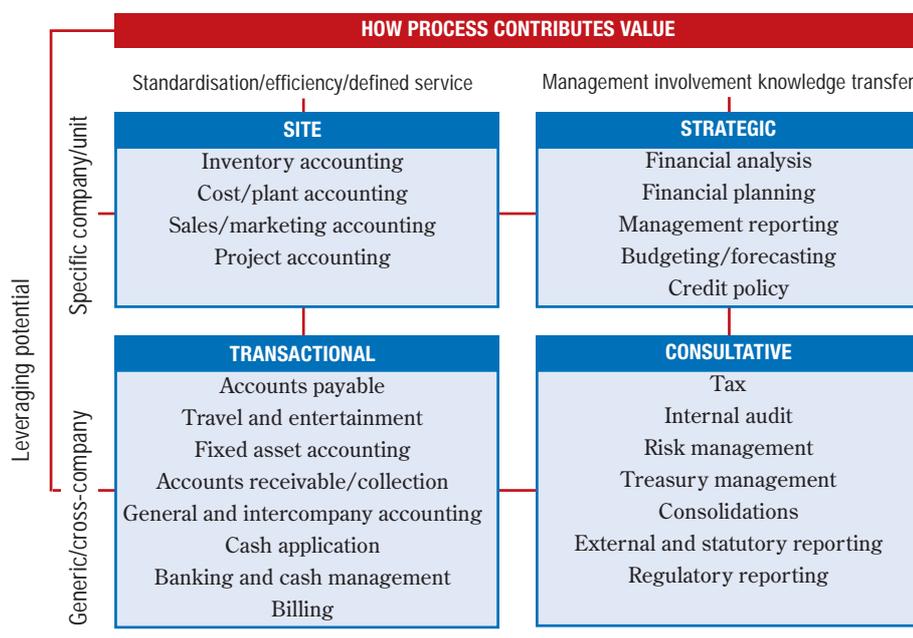
In assessing their suitability for outsourcing, firms divided F&A processes and activities into the following categories (see Figure 2):

- pure transactional, first-level customer service and issue-resolution processes that can be leveraged across the company, offering the best opportunity for outsourcing
- processes that involve higher-level issue resolution and escalation are fringe candidates for outsourcing and often depend on the degree of standardisation and systemisation.
- governance, policy setting and high-end strategy and planning process (rarely outsourced).

**Figure 1 The finance transaction processing landscape**



**Figure 2 F&A processes and their suitability for outsourcing under first-wave FAO**



**From transactional FAO to value-added analytics**

With the march towards FAO gaining momentum, it is important to address the question of how much of the finance function we can conceivably outsource. While the vast majority of FAO deals to date have focused on low-skilled processes, more innovative firms are embracing outsourcing across a much wider range of finance activities and processes. Our research indicates that a small number of leading firms have already moved beyond the transactional focus to higher level analytics and activities traditionally viewed as too strategic or complex to outsource.

Our investigations show that the successful experience of FAO has encouraged firms to extend the scope of FAO contracts into the KPO space and include F&A processes or activities, which have tradition-

ally fallen under the business-partnering heading. We are now seeing the transfer of management accounting activities such as variance analysis, costing and other reporting to non-captive FAO delivery centres.

While KPO remains the exception rather than the rule, the experience with FAO in the past suggests that the trend towards outsourcing more value-added finance and accounting activities is likely to become mainstream within five years.

The key features of this second wave of FAO are as follows:

### 1 Data cleansing / data scrubbing in support of analytics is often the starting point for KPO

Many organisations find themselves data-rich but information-poor. Our study supports the notion that the single biggest constraint on improved financial analysis is the lack of clean reliable data. Multiple enterprise resource planning instances and poor data capture have led to a situation where much of the effort in business partnering by finance staff is directed not at analysis but in manually extracting and scrubbing data from underlying operational systems. Discussions with finance professionals indicate that in future they will look to outsource this cleansing to BPO providers who have already taken over the transactional activities associated with the data. Using this model, self-service access to clean data for financial analysts and others in the business units will be met by teams from BPO providers who will prepare data cubes and decks, which the business units can then analyse. With this approach, shortcomings in data and systems delivery can be overcome using labour cost arbitrage.

### 2 KPO is initially targeting structured institutionalised analytics and reporting.

In cases where the analysis to be carried out is highly specifiable, firms are willing to transfer the production of this analysis and reporting to BPO/KPO providers. Examples of this type of work include costing, inventory accounting, pro forma scorecard production, cost budgets and other forms of traditional management accounting. The burden of extracting information from ERP applications, using data marts and business warehouses, is transferred to BPO teams who have in-depth knowledge of the technology and data architectures. The data to

desktop reporting process is then enabled using web-based portal reporting.

### 3 KPO is driving harmonisation of management accounting and business analytics

As firms seek to exploit the services of BPO/KPO providers, there is a strong economic argument for the global harmonisation of management accounting and reporting/analysis processes. Fixed-price, volume-based charging for these services encourages firms to stop, simplify and standardise much of their reporting and management accounting activities.

### 4 KPO providers bring the discipline of process improvement to the business partnering space.

Just as they have used Six Sigma and process redesign to achieve breakthroughs in process improvement, BPO/KPO providers are now applying these techniques to the analytics space. This is leading to an industrialisation of many extraction, classification, filtering and reporting activities that make up business partnering. In time, we are likely to see world-class business partnering processes being embedded in the emerging corporate performance management and business intelligence technologies.

### 5 KPO is unlikely to deliver context-specific analytics close to the market.

While BPO/KPO providers will have a cost and size advantage in the areas outlined, it is unlikely that this will extend to context-specific and unstructured ad hoc analytics associated with optimising and configuring the business model. In the case of analytics to support brand and marketing effectiveness, strategy and product introduction, the highly contextualised nature of the knowledge needed to support these decisions will erode any labour arbitrage. As global firms have discovered in the war for talent, world-class business analysts come with a world-class price tag, regardless of where they originated.

## Key challenges for CFOs

CFOs will need to take proactive steps to ensure that their organisation can capitalise on the emerging second wave of FAO. They will also need to ensure that they have the capability to put in place agreements that go beyond the traditional transactional scope that has defined FAO to date. The specific challenges, which CFOs need to

address in building that capability, include:

- developing a knowledge and understanding of the role of FAO in the emerging regional and global finance architectures which firms are seeking to put in place
- understanding which finance processes are appropriate for second-wave FAO and which activities will need to remain embedded in the business.
- having a comprehensive understanding of the different offerings available from FAO vendors and the value proposition under which these vendors operate
- having the sourcing, contracting and negotiating skills to put in place collaborative agreements that are sustainable and flexible for both the firm and the vendor
- devising effective risk management approaches to ensure that FAO does not undermine the firm's compliance, performance and corporate social responsibility obligations
- developing governance and relationship management frameworks, including service level agreements, key performance indicators and performance management incentives, that drive value for both the firm and the vendor
- focusing on creating viable long-term relationships with the vendor that reduce adversarial behaviour and encourage sharing of information and efficiency gains
- Working with specialist outsourcing and legal advisers who understand the intricate details of outsourcing contracts, statements of work, due diligence and the other elements needed to put in place a working agreement.

## FAO trend set to continue

It is clear that the second-wave FAO will continue the trend towards smaller business unit finance teams as more business partnering activities are outsourced to FAO providers. While the majority of firms will move slowly towards FAO for finance transaction processing, leading firms will leap ahead to exploit the extensive educational talent available from offshore delivery centres. **AT**

Dr. Martin Fahy is Director of Development for CIMA Asia Pacific. Chris Fuller is a member of CIMA's International Development team, based in London. This article is contributed by CIMA and is extracted from "Wheels of Change" published in the CIMA publication on *Excellence in Leadership (Business Process Outsourcing)*.

**ADVERT**

# ARE Internships USEFUL?

Tan Lay Leng, Wee Shu Hui and Aida Hazlin Ismail

*A study looks into whether universities, students and employers benefit from practical training.*



There has been much debate in the media about the market being unable to absorb the increase in the number of graduates seeking jobs.

The reasons given for this problem include a mismatch between job vacancies and courses taken by these graduates, lack of soft-skills training and, more importantly, the graduates are 'fresh' and have no work experience.

They have to start somewhere. It is a case of the chicken and the egg. Which comes first? Graduates cannot find employment after study, and they cannot gain experience without work.

This dilemma has prompted institutions of higher learning to include practical experience in their programmes. They have since 2000 made it compulsory for students to do an internship as a requirement for graduation.

The term 'internship' has different connotations to different people.

Some may consider any work experience done before completion of formal education as internship while others think that work experience of a short duration, for example six weeks or less, or part-time employment, although useful and helpful, is not to be regarded as internship.

We use the term internship as work experience under a formalised programme under the supervision of professionals for a minimum of three months.

Furthermore, the training programme should provide students with a broad perspective of a variety of jobs, projects and activities (Smith, 1964).

Deputy Higher Education Minister Datuk Ong Tee Keat said internships

should be audited and certified by external bodies. "We want our internship programmes to meet a certain standard to prepare undergraduates for the job market" (*The Star*, May 13).

A few issues need to be addressed to create a beneficial internship programme.

Does internship help students get jobs upon graduation compared with graduates who did not undergo internship during their course?

What about the company providing the internship? What benefits do they get out of this? What does the university stand to gain in having an internship programme?

Do students perform better academically after coming back from internship? Is this a win-win relationship for students, universities and employers?

The advantages of internship can be numerous to students, employers and institutions. Practical training provides students and the faculty with a means of bridging the gap between career expectations developed in the classroom and the reality of employment in the real world.

Universities need to forge links and alliances with industry. Dialogues with industry will allow them to keep their syllabus relevant and practical.

Benefits for students include exposure to a work setting, a chance to develop skills, the ability to evaluate whether a career choice is compatible with their interest and personality, and contacts that can help in the job search after graduation.

The experiences that students get through exposure to the business world, such as experience in areas of human relations skills, in situations where judgments and estimation are required, cannot be learnt in classrooms or from textbooks (Gary *et al*, 1994).

The students return to the university after internship with sufficient time to correct any educational deficiency that they may have discovered during the internship

(Schmutte, 1986).

The internship programmes not only contribute to the students' accounting education, but they also provide benefits to employers. For employers, internship programmes offer them a chance to hire students on a trial basis, especially during busy months, and the chance to screen potential employees.

Internship or practical training has been included in the Bachelor of Accountancy Degree (Hon.) at all public universities in Malaysia and has been made compulsory for all students who entered these universities in the November semester of 2000.

The degree is conducted over four years with students completing one semester of practical training during their seventh semester.

For students at UiTM, the first

batch of undergraduate accounting students went for their practical training in 2003 for six months.

This study was conducted on UiTM students who had completed their practical training to examine the effect, if any, of internship on their academic performance.

We sent them 150 copies of a questionnaire. Out of the total, 114 copies were returned to the researchers.

The questionnaires were then matched with the students' Sijil Pelajaran Malaysia results and results for specific subjects taken before internship and their performance after internship.

The overall academic results of the students did not indicate any significant improvement in the grade point average (GPA) and cumulative grade point average (CGPA) after their training.

However, 95 per cent of the respondents affirmed that practical training had improved their classroom learning while five per cent indicated otherwise.

Further tests were conducted on ad-

vanced accounting subjects, such as the Auditing and Advanced Auditing and AIS and System Design. Results show significant improvement of grades in Advanced Auditing, a Semester Eight paper, when compared with grades in Auditing, a Semester Six paper.

Similarly, when we compare performance in AIS, a subject offered at Part Six, with System Design, a subject offered at Part Eight, there was an indication of improvement in the grades obtained.

Therefore, the overall effect of the practical training on students' academic performance is positive although this is not reflected in their GPAs and CGPAs.

Besides academic performance, students were also asked on the effects of practical training on their 'soft' skills.

Thirty per cent indicated that they had gained a better understanding of academic learning while 19 per cent said they gained more confidence in communication and 12 per cent said practical training helped them relate their academic learning to real life and vice-versa.

The most improved skill was interpersonal skills followed by communication skills.

The results of the study indicate that the internship is beneficial to students. Forging a strong bond between universities and industries, therefore, brings about a synergy that each would not have been able to achieve without the other.

The importance of having an internship programme for programmes that require greater hands-on skills, such as accounting, engineering and medical courses cannot be overemphasised.

It is a win-win relationship for all parties concerned. **AT**

"... internships should be audited and certified by external bodies. We want our internship programmes to meet a certain standard to prepare undergraduates for the job market."

**Datuk Ong Tee Keat, Deputy Higher Education Minister, *The Star*, May 13**

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**1 Strategic Review**

The SMP Committee discussed and approved the Committee's Strategic and Operational Plan for the years 2007 - 2010. Overall, the Committee agreed to continue its current two pronged strategy of providing input to the International Standard Setters to ensure that the standards are relevant to SMPs and SMEs, provide practical support and assist the SMPs to comply and implement these standards. The plan also recognises the need to get SMPs and SMEs to be more involved in the International Standard Setting process.

**2 Input to the IAASB**

The SMP Committee will continue to devote a large proportion of its time and resources to providing input to the IAASB's standard setting process with the main objective of ensuring that SMP and SME issues are reflected in its standards. It is anticipated that emphasis will be given to improve the clarity of all ISAs. The SMP Committee will continue to monitor the progress of the IAASB's clarity project.

**3 Input to the IESBA**

Ben Scicluna of Malta, a Committee Member, led the discussion on the Exposure Draft (ED), especially in the area covering mandatory partner rotation for audit of entities of significant public interest and new restrictions on the provision of non-assurance services, which appears to be over-regulating the SMPs. The SMP Committee is concerned with such a development and agreed with the proposed revisions to the independence sections of the Code of Ethics for Professional Accountants issued by the IESBA. The SMP Committee agreed that the proposed response letter to the ED will be submitted jointly with the Developing Nations Committee.

The ICAEW and MIA also raised the issue of the definition of network firms and its possible impact following its adoption in 2008. The SMP Committee will continue to monitor the development in these two areas to ensure that interests of the SMPs are safeguarded.

**4 Input to the IASB**

The Committee had discussed in detail the draft letter to comment on the ED of the proposed International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) issued by the IASB. The Committee had been charged to lead the drafting of the IFAC response to the IASB. The Committee is highly supportive of this project and is assisting the IASB with research and consultation including assisting with the planned IASB field tests in June 2007 by creating the necessary awareness.

**5 Micro Entity Research Project**

The SMP Committee further discussed the progress on the re-

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The following is the list of recognised universities:

- Universiti Malaya
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- Universiti Teknologi MARA
- Universiti Utara Malaysia
- Universiti Putra Malaysia
- Universiti Islam Antarabangsa
- Universiti Sains Malaysia
- Universiti Tenaga Nasional
- Universiti Multimedia

For details, contact Mary of the Membership Department at 03-2279 9200. [AT](#)

**IFAC Small and Medium Practices (SMP) Committee Meeting TUNIS, TUNISIA FROM 3-4 MAY 2007.**

Our Council Member, Peter Lim, the representative on the IFAC's SMP Committee and Johnny Yong from the Institute attended their **fifth** SMP Committee meeting in Tunis, Tunisia from 3-4 May 2007.

Among the issues discussed were as follows:

search project on micro entity financial reporting following the issuance of an information paper in December 2006 entitled *Micro Entity Financial Reporting: Perspective of Preparers and Users*.

The next phase will involve field-testing exercise to determine whether the proposed IFRS for SMEs will meet the needs of users of financial reports of micro entities. It will encompass the conduct of interviews and surveys of users and preparers of micro entity reports in various countries. Fieldwork has already been completed in the United Kingdom and Kenya and is well underway in Poland, Italy, Uruguay and India. The research findings will likely be summarised in an information paper as well as used in the IFAC response to the IFRS for SMEs ED.

### 6 ISA Guide

The Committee received an update from the appointed Task Force on the project to develop a non-authoritative explanatory guide to the use of ISAs on SME Audits (ISA Guide) by the Canadian Institute of Chartered Accountants (CICA). The guide is intended to help practitioners around the world understand, comply with and apply ISAs in SME audit.

The Committee will review the final draft of the guide in July 2007 in accordance with the undertaking by the CICA. The SMP Committee has the intention to make the final guide available through the IFAC website towards the end of 2007. IFAC is also exploring ways to promote the development of local adaptations and products derived from the guide such as audit software, checklists and questionnaires.

### 7 Quality Control Guide

The open Request For Proposal (RFP) for the development of a quality control guide managed to elicit nine submissions by the closing date, which was at the end of December 2006. However, due to the present workload of the Committee, the selection process will only be finalised in the next meeting in Malta. It was decided that the task force that is involved in the selection of the supplier for the ISA guide will be reconstituted to analyse the various RFP's and will report this to the main Committee in the next meeting.

### 8 Practice Management Guide

The Committee discussed a draft RFP to commission the development of a practice management guide. The guide would seek to improve the operational efficiencies of SMPs and make them more responsive to the needs of their clients. It was agreed that

the RFP will be issued by September 2007. However, work on this project is unlikely to commence until 2008.

### 9 IFAC Net

IFACnet ([www.ifacnet.com](http://www.ifacnet.com)), the global multilingual accountancy search engine developed by IFAC and its member bodies has recently expanded its resources particularly for the SMPs. The Committee discussed ways to develop the IFACnet so as to best serve the SMPs and felt that additional organisations with information of interests to SMPs should be invited to join IFACnet in the coming months.

### 10 Outreach, Collaboration and The Next Meeting Date

The Committee was briefed by Ben Scicluna of Malta on their preparatory work to host the next SMP Forum. The forum scheduled to be held on 30 October will also coincide with the SMP Committee meeting scheduled on 1-2 November 2007 in Malta. It was decided that the forum will follow a similar format as that which was organised in Hong Kong in July 2006. **AT**

## General Guidelines for Members Intending to Apply for an Audit Licence

MIA's audit licence interview panel discussed with *Jabatan Akauntan Negara* (AG) the benchmark that panel members should adopt when representing MIA in the panel for audit licence.

Among the topics discussed was the benchmark that our panel members should adopt when representing the Institute in the interview panel. There was a significant debate on whether our panel members should be concerned with the background of the candidate and to tailor the questions accordingly. The panel decided to furnish the candidates with some guidelines rather than to vary the questions according to the background of the candidate. In this way, the panel will assess all the candidates consistently.

Members intending to apply for audit licence are to be aware of the following:

### Malaysian Institute of Accountants (MIA)

- By-laws of the Institute;
- Auditing standards including the International Standards on Quality Control (ISQC);
- The latest reporting framework under the FRS and the up-coming Private Entities Reporting Standards (PERS);

- Duties and responsibilities of company secretaries and auditors under the Anti-Money Laundering Provisions; and
- Recommended Practice Guides (RPGs) and other circulars on practice issues.

As the Inland Revenue Board (IRB) will no longer be represented in the audit licensing panel, the MIA's representative is expected to field general tax questions that our members are expected to know. Such questions will usually cover areas such as:

- General knowledge on corporate tax computation;
- The self assessment framework;
- Common knowledge of public rulings;
- Duties and responsibilities of a tax agent.

### Companies Commission of Malaysia (SSM)

- Duties and responsibilities of auditors under the Companies Act 1965;
- Duties and responsibilities of the directors and company secretaries;
- Reporting framework under the Companies Act, 1965 especially Section 166A & Section 169;
- Eligibility, appointment and resignation of approved company auditors;
- Any related provisions as stated in the Companies Act 1965 and Companies Rules & Regulations 1966.

### Securities Commission (SC)

- Various Acts under the SC including the Capital Market Master Plan;
- Roles and responsibilities of the SC and the Bursa Malaysia;
- Various licensing requirements in the capital market under the purview of the SC & Bursa Malaysia (latest developments); and
- Duties and responsibilities of auditors pursuant to Section 99E of the Securities Industries Act.

### Bank Negara Malaysia (BNM)

- Roles and responsibilities of BNM;
- Duties and responsibilities of the auditors under BAFIA, Islamic Banking Act, Takaful Act and Anti-Money Laundering Act;
- Basic understanding of the financial statements and the main risks of banking and insurance business;
- Basic understanding of the *Garis Panduan* governing banking and insurance business issued by BNM. **AT**

## MALAY\$IAN TAX

*This monthly column aims to highlight to the readers of Accountants Today the gazette orders issued in respect of the various Malaysian revenue legislation, particularly the Income Tax Act 1967 [Act 53], Customs Act 1967 [Act 235], Sales Tax Act 1972 [Act 64], Service Tax Act 1975 [Act 151], Excise Act 1976 [Act 176] and Promotion of Investments Act 1986 [Act 327].*

All gazette orders issued between 16 May 2007 and 15 June 2007 are summarised.

### Exchange Control (Deposit of Securities) (Amendment) Order 2007 PU(A) 190/2007

This Order was issued by the Controller of Foreign Exchange pursuant to Section 18(1)(b) of the Exchange Control Act 1953 [Act 17]. It was gazetted and published on 17 May 2007.

This Order amends the Exchange Control (Deposit of Securities) Order 1973 (PU(A) 124/1973). The words 'or South Africa' are deleted in paragraph 2 of the 1973 Order. **AT**

### Loans Guarantee (Bodies Corporate) (Remission of Tax and Stamp Duty) Order 2007

PU(A) 191/2007, and

### Loans Guarantee (Bodies Corporate) (Remission of Tax and Stamp Duty) (Amendment) Order 2007

PU(A) 196/2007

These Orders were issued by the Minister of Finance pursuant to Section 10(1) of Loans Guarantee (Bodies Corporate) Act 1965 [Act 96]. These orders were gazetted and published on 17 May 2007 and 30 May 2007 respectively.

Income tax and stamp duty payable on any monies received from instruments (and stamp duty payable on the instruments) in relation to trust

certificates issued by Silterra Capital Berhad are remitted. The instruments can be guaranteed by the Government of Malaysia or otherwise. The remission is limited to certificates worth RM1.8 billion.

These Orders take effect from May 2007. **AT**

### Customs (Values) (Palm Oil) (No.21) Order 2007 PU(A) 192/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 21 May 2007.

Customs duty for crude palm oil is RM2,395.24 per tonne.

This Order takes effect from 21 to 27 May 2007. **AT**

### Customs (Values) (Crude Petroleum Oil) (No.11) Order 2007

PU(A) 194/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 24 May 2007.

Customs duty rates were issued for various types of crude petroleum oil.

This Order takes effect from 24 May 2007 to 6 June 2007. **AT**

### Customs (Values) (Palm Oil) (No.22) Order 2007 PU(A) 195/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and pub-

lished on 28 May 2007.

Customs duty for crude palm oil is RM2,505.27 per tonne.

This Order takes effect from 28 May 2007 to 3 June 2007. **AT**

### Double Taxation Relief (The Government Of The Syrian Arab Republic) Order 2007 PU(A) 197/2007

This Order was issued by the Minister of Finance pursuant to Section 132(1) of the ITA 1967 [Act 53] and Section 65A(1) of the Petroleum Income Tax Act 1967 [Act 543]. It was gazetted and published on 31 May 2007.

This Order gazettes the Malaysian-Syrian Double Taxation Agreement. The Agreement provides:

a) For permanent establishments, which include:

- premises used as sales outlets; and
- building sites, construction, installation, assembly projects or supervisory activities lasting for more than nine months;

b) Business profits of a Syrian enterprise are not taxable in Malaysia. This does not apply if the enterprise has a permanent establishment in Malaysia;

c) Dividends, interest, royalties and technical services fees paid in Malaysia to Syrians are taxable. The rates are:

#### Dividends

10% of the gross amount

#### Dividends

5% of the gross amount

(where the beneficiary is a company and holds 25% of the dividend paying company)

#### Interest

10% of the gross amount

#### Royalties

12% of the gross amount

#### Technical services fees

10% of the gross amount

d) Tax credit is available in Syria for taxes paid in Malaysia; and

e) Dividends and interest sub-

jected to tax reduction or exemptions in Malaysia enjoy full tax credit in Syria.

This Order takes effect in Malaysia from YA 2007 for income tax and YA 2008 for petroleum income tax. **AT**

### Income Tax (Exemption) (No.15) Order 2007

PU(A) 199/2007

This Order was issued by the Minister of Finance pursuant to Section 127(3)(b) of the Income Tax Act 1967. It was gazetted and published on 31 May 2007.

Income from a fund management services business is exempted from income tax. The exemption applies if:

- a) a Malaysian company provides the services;
- b) the services are for foreign investors;
- c) the fund applies the *Syariah* principle;
- d) the Securities Commission has approved the *Syariah* principle; and
- e) separate accounts are maintained for such income.

Despite the exemption, a company must submit a return or statement of accounts in accordance with the Act.

This Order takes effect from YA 2006 until YA 2016. **AT**

### Malaysian Palm Oil Board (Cess) (Oil Palm Fruit) Order 2007

PU(A) 200/2007

This Order was issued by the Minister of Plantation Industries and Commodities pursuant to Section 35 of the Malaysian Palm Oil Board Act 1998 [Act 582]. It was gazetted and published on 31 May 2007.

Cess is payable to the Board if the monthly crude palm oil price exceeds RM1,500 a ton. The cess is paid by oil palm fruit producers owning:

- a) a holding not less than 40.46 hectares; or
- b) in aggregate not less than 40.46 hectares.

Cess exemption is available for producers in:

- a) government land schemes

with participants; or  
b) small holdings owned by individuals but managed by the government.

The Schedule to the Order lists the cess rates.

This Order takes effect from 1 June 2007. **AT**

### Stamp Duty (Exemption) (No.5) Order 2007

PU(A) 201/2007

This Order was issued by the Minister of Finance pursuant to Section 80(1) of the Stamp Act 1949 [Act 378]. It was gazetted and published on 31 May 2007.

Instruments executed by Penerbangan Malaysia Berhad on 20 July 2002 to restructure Malaysia Airlines System Berhad are exempted from stamp duty. The instruments are specified in the Schedule to the Order. **AT**

### Stamp Duty (Exemption) (No.6) Order 2007

PU(A) 202/2007

This Order was issued by the Minister of Finance pursuant to Section 80(1) of the Stamp Act 1949. It was gazetted and published on 31 May 2007.

The following instruments are exempted from stamp duty:

- a) the transfer of 10,000,001 shares in Aircraft Business Malaysia Sdn Bhd by Minister of Finance Incorporated to Penerbangan Malaysia Berhad on 6 May 2003;
- b) the transfer of 1 share in Aircraft Business Malaysia Sdn Bhd by Khazanah Nasional Berhad to Penerbangan Malaysia Berhad on 6 May 2003;
- c) the transfer of aircraft titles to Penerbangan Malaysia Berhad pursuant to the Agreement for Aircraft and Finance Agreements Unbundling dated 30 July 2002;
- d) the transfer of aircraft titles to Penerbangan Malaysia Berhad pursuant to the Aircraft and Engines Purchase Agreement dated 30 July 2002; and
- e) the transfer of spare engine titles to Penerbangan Malaysia Berhad pursuant to the Aircraft and Engines Purchase Agreement dated 30 July 2002. **AT**

### Customs Duties (Goods Under The Framework Agreement On Comprehensive Economic Co-operation Among The Government Of The Member Countries Of The Association Of Southeast Asian Nations And The Republic Of Korea) Order 2007

PU(A) 209/2007

This Order was issued by the Minister of Finance pursuant to Section 11(1) of the Customs Act 1967. It was gazetted and published on 31 May 2007.

The Order provides:

- a) The import duty rates (Column 4 of the Second Schedule) for goods from Korea and ASEAN countries. The rates:
  - i) cover goods specified in the Second Schedule;
  - ii) are subject to the First Schedule and Third Schedule provisions; and
  - iii) are in lieu of the full import duty under the Customs Duties Order 1996 (PU(A) 15/1996).
- b) A flat 30% duty on goods:
  - i) imported by any person entering Malaysia;
  - ii) for non-commercial use;
  - iii) subject to import duty under the 1996 Order, but exclude motor vehicles, alcohol drinks, spirits, tobacco and cigarettes.
- c) Import duty rates under the 1996 Order apply to goods not listed in Second or Third Schedules of the 2007 Order.

This Order takes effect from 1 June 2007. **AT**

### Customs (Appeal Tribunal) Regulations 2007

PU(A) 210/2007

These Regulations were issued by the Minister of Finance pursuant to Section 141AB(1) of the Customs Act 1967 [Act 235]. It was gazetted and published on 31 May 2007.

Section 141B of the Customs Act 1967 creates the Customs Appeal Tribunal. The Tribunal hears appeals from any person aggrieved by a decision of the

Director-General of Customs. This includes decisions made under the Excise Act 1976 [Act 176], Sales Tax Act 1972 [Act 64] and Service Tax Act 1975 [Act 151]. The time to lodge an appeal is prescribed in the relevant Acts.

These Regulations specify:

- a) Form A as the form for appeal;
- b) a filing fee of RM100;
- c) an extension of time to file an appeal may be allowed;
- d) the extension request must be in writing;
- e) any duty or tax levied is payable pending appeal;
- f) Form B as the notice of hearing;
- g) the Tribunal must serve Form B 14 days before the hearing;
- h) the language of the proceedings to be in Bahasa Malaysia;
- i) English can be used on request;
- j) parties may be asked to bear their own costs; and
- k) an appeal deemed scandalous, frivolous and vexatious may be penalised.

These Regulations take effect from 1 June 2007. **AT**

### Customs (Additional Jurisdiction of Customs Appeals Tribunal) Order 2007

PU(A) 211/2007

This Order was issued by the Minister of Finance pursuant to Section 141M(2) of the Customs Act 1967. It was gazetted and published on 31 May 2007.

The Tribunal may determine the costs and expenses of any matter before it.

This Order takes effect from 1 June 2007. **AT**

### Customs (Values) (Palm Kernel) (No.5) Order 2007

PU(A) 212/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 1 June 2007.

Customs duty for palm kernel is RM1,653.34 per tonne.

This Order takes effect from 1 June 2007 to 30 June 2007. **AT**

### Customs (Values) (Palm Oil) (No.23) Order 2007

PU(A) 213/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 4 June 2007.

Customs duty for crude palm oil is RM2,574.38 per tonne.

This Order takes effect from 4 to 10 June 2007. **AT**

### Customs (Values) (Crude Petroleum Oil) (No.12) Order 2007

PU(A) 216/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 7 June 2007.

Customs duty rates were issued for various types of crude petroleum oil.

This Order takes effect from 7 to 20 June 2007. **AT**

### Customs (Values) (Palm Oil) (No.23) Order 2007

PU(A) 217/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 11 June 2007.

Customs duty for crude palm oil is RM2,708.19 per tonne.

This Order takes effect from 11 to 17 June 2007. **AT**

This column is made available to you by Messrs. Lee Hishammuddin Allen & Gledhill, a multi-practice firm, with more than 70 lawyers in Kuala Lumpur, Penang and Johor Bahru. The firm's Tax Practice Group has expertise in tax litigation, advisory and planning services. For further information, please e-mail [tax@lh-ag.com](mailto:tax@lh-ag.com)

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# THE HAVEN THAT IS Hoi An

Anis Ramli

*With a brisk tailoring business and beautiful heritage buildings, it's no wonder this small town bustles with life*

For such a small coastal town, lying midway between Hanoi and Ho Chi Minh City, Hoi An is one of the few towns in Vietnam to have the most number of old structures not to have been affected by the 1959-1975 Civil War. Its quiet location in the backwaters of Vietnam has spared it from the ravages of conflict, leaving many of its buildings intact, and putting time on a standstill with buildings that reflect the charm of life in a seaport town

in the 17<sup>th</sup> century.

Many of the buildings are an architectural symphony of wood and stone, merging the styles of the Chinese and Japanese traders who later became Hoi An's immigrants. Tube houses, long and narrow, with open courtyards and shutter windows sit side by side with elaborate Chinese assembly halls. For many years, Hoi An's buildings were in decline, and the town itself was largely unexplored except by the intrepid traveller.

However, as local societies grouped to preserve the buildings with the support of the Vietnamese Government, all that has changed. In 1999, with many of its old buildings restored, Hoi An was declared a UNESCO World Heritage site and commended for its conservation efforts.

Where tourists once skipped the town in favour of Danang's golden beaches just 30km away or Hue's historical ruins less than two hours' drive, Hoi An has now be-

*One of the quaint structures still standing in Hoi An*



come a must-see on the traveller's itinerary.

Many come to explore the historical buildings, made even more romantic set against the picturesque blue backdrop of the Thu Bon River. Hoi An's cobbled streets and its Old Quarters are easily traversed by foot, or leisurely enjoyed on the local cyclo. A stroll takes you through to homes perfectly restored to its glorious past, or old buildings that have been adapted to house art showrooms, quaint museums and cosy cafes. Its scenic ambience has also been featured as a backdrop in the Hollywood movie, *The Quiet American*.

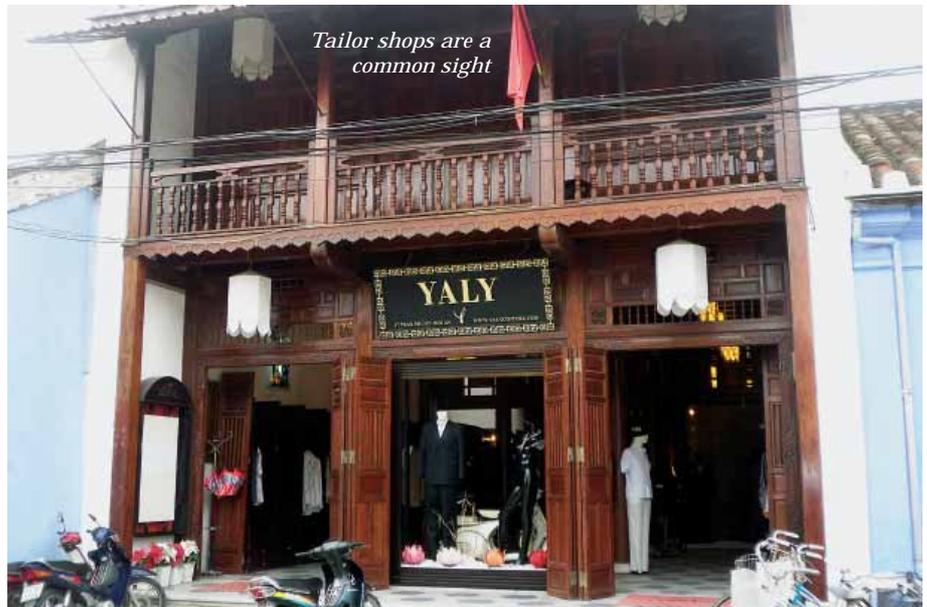
With the return of the tourists, Hoi An is also enjoying a trade renaissance. The place now is a haven for tailor-made clothes, with turnaround orders that can be met within 24 hours.

Sandwiched between wooden trading houses with carved-timber and temples with terracotta roof tiles are a myriad of clothes shops with their steady battalion of seamstresses. Colourful bolts of linen, silk, cotton, wool and knit line up the walls as tailors busily entertain customers with fashion catalogues and magazines, eager to whip out that dream outfit.

And they can certainly make *anything*. From simple blouses to ballroom gowns, working shirts to a full tuxedo, travellers have found Hoi An to be a shopping mecca that lets them have a complete wardrobe makeover, including customised shoes and bags!

There certainly is no shortage of shops to go to. The larger ones, like Thu Thuy and Yaly Couture (that advertises in Hanoi's airport), may seem expensive for Hoi An, but are cheap anywhere else. Impeccable service and quality tailoring are their hallmarks; as attested by many past satisfied customers. Still, the smaller shops are equally impressive, such as Indochine on Hai Ba Trung St and Thanh Tu on Le Loi St, although fabric selection may be fewer here. Tailors are very friendly and accommodating and would never shy at asking you to make "just one more."

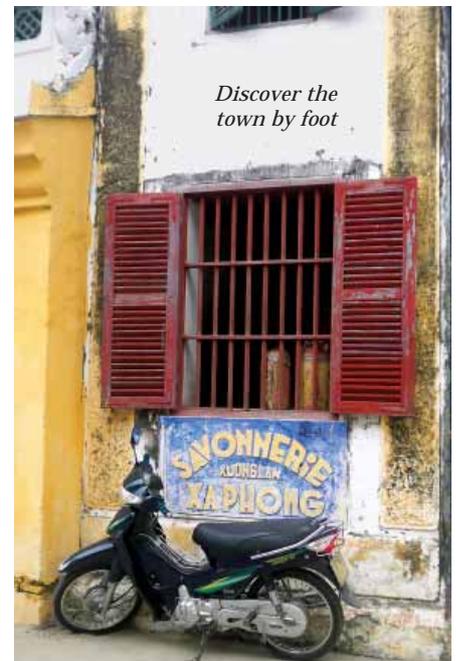
Visitors have found that they can have a silk or linen top made for as little as USD10, a cotton shirt for USD12, a pantsuit for USD50, and a whole wardrobe for just USD200 — which includes tailoring and fabric! Tailors can copy just about any style



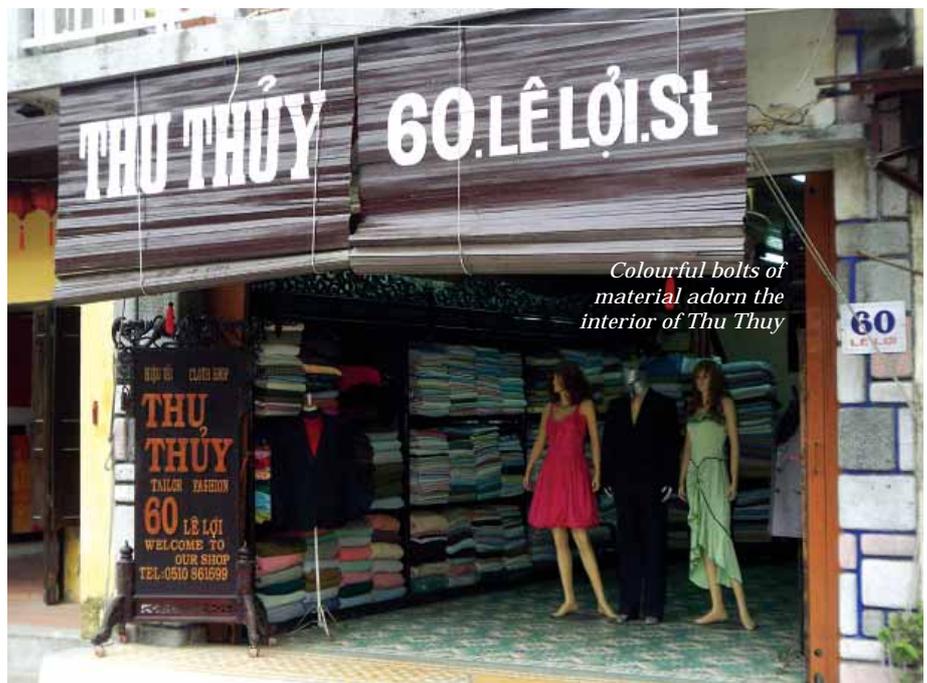
Tailor shops are a common sight

from a fashion magazine, while some tourists have known to bring along with them their own clothes sample for easier tailoring. Some shops require several fitting sessions, but even if your time in Hoi An is limited, many tailors provide shipment service at reasonable costs. Incompetent tailors are rare, and the best way to avoid them is to stick to recommendations made by other tourists or research them on the Internet.

Hoi An has certainly come a long way since its days as a bustling trading port. These days, tourists have replaced the merchants of yore for a new trade that would guarantee their return time and again. When planning the trip, arm yourself with a passion for history and the patience to shop till you drop. **AT**



Discover the town by foot



Colourful bolts of material adorn the interior of Thu Thuy

*Do you want more? More out of your life, more out of your career, and more in your bank account? You may be technically proficient as an accountant, but the higher you climb your particular corporate ladder, the more you'll realise something significantly and subtly 'more' is required of those who succeed the most in life. That elusive something is tied to an 18<sup>th</sup> century observation by one of the most influential American founding fathers, Benjamin Franklin — "Time is Money."*

*If you learn to manage your time better than those around you, in all likelihood nothing will ever be able to stand in the way of your personal advancement. Either your superiors will recognise the rare catch that you are and pay more to keep you on their payroll, or a competitor will soon hear through the professional grapevine that you are something rare — an effective, world-class professional — and make an attractive bid for your services. Either way, you win. That's why Accountants Today brings you this regular feature on pragmatic time management ...*

## TIME MANAGEMENT — Rockefeller Style!

*Just as Bill Gates rules the roost of today's rankings of the world's richest people, John Davison Rockefeller, Sr. dominated similar lists a century ago. Even today, the mere mention of his family name elicits awe and a respectful sense of abiding, philanthropic 'old money'.*

**Rajen Devadason**

**T**his powerful association between serious riches and the surname Rockefeller began with John D., as he called himself. His early years were tough because his father, William Avery Rockefeller, proved a philandering conman and bigamist! If it hadn't been for the phenomenal strength exhibited by John D.'s mother, it's unlikely the world would ever have come to associate outstanding accomplishments with today's most recognised big money name.

The success each of us aspires to, here and now in 2007, may not scale the heights Rockefeller ascended. Money isn't everything, and most of us are wisely more concerned about living a balanced life marked

by a meaningful career, a happy family and a healthy body. Nonetheless, we simultaneously crave sufficient funds to meet all our needs and most of our wants. Bearing that in mind, we'll focus here on one key time management lesson that history provides us from John D.'s earliest work experience.

*First, some background information:*

John D. Rockefeller began his working life at 16. To land that position, he spent six days a week for six consecutive weeks job-hunting from 8 a.m. till late afternoon! In later life he recollected, "I was working everyday at my business — the business of looking for work."

His perseverance paid off when he se-

cured the position of assistant bookkeeper in the Cleveland, Ohio, mercantile trading firm of Hewitt and Tuttle on 26 September 1855.

In our present time, far too many Malaysians look upon work as either a necessary evil or as some fundamental right the government needs to bequeath upon them. In stark contrast, the young Rockefeller appears to have considered landing a job a genuine privilege and a cause for celebration. Indeed, for the more than eight decades he lived after starting in that modest position, John D. celebrated what he called 'Job Day', 26 Sep-



tember, with more vigour and verve than his own 8 July birthday!

This poor youth grew into the adult who gained both the mantle and title of 'Richest Man in the World'. The earliest key to his success appears to have been an immense capacity for sustained hard work. The foundational time management lesson we will draw from his life today is hinted at in a brief account within Ron Chernow's towering bestseller *Titan — The Life of John D. Rockefeller, Sr.*

Chernow writes: 'Since he worked a long day at Hewitt and Tuttle, business threatened to become an overwhelming compulsion. Starting work each day at 6:30 a.m., he brought a lunch box to the office and often returned after dinner, staying late. One day he decided to throttle this obsession. "I have this day covenanted with myself not to be seen [in the office] after 10 p.m. within 30 days," he wrote to himself.'

Most of us have never known what it's like to go to work as a teenager or to toil such fantastically long hours as an adult. So, here's the promised time management lesson from Rockefeller's life that's most relevant to our situation and pursuit of material success: **Sometimes controlled workaholism can open doors other more balanced approaches cannot.**

There's no doubt workaholism for workaholism's sake is a sorry substitute for a

great life. So, we need to dig through the shallow facade of what's commonly known about the future founder of Standard Oil to understand his inner motivation. Rockefeller's fanatical drive to thrive at his very first job centred upon two truths concerning his work:

- 1 His mother's powerful religious influence left him with an unshakeable belief in the sanctity of work for work's sake — if a job was to be done, it was to be done outstandingly well; and
- 2 His scoundrel father's actions had forced the family to leave villages and towns many times during John D.'s formative years — this future titan of business was intent on making his position at his maiden job so unshakeably secure he would never again need to rely on a largely unreliable father.

What are your motivations for success? We each have a brief span of decades to carve our mark upon the economic world. If we plan to zoom to the top of our field, our ability to outwork, out-think and outsmart others is vital. But despite our best intentions, there will always be more talented people with higher IQs surrounding us. So, the only aspect we have full control over is our self-ignited drive to outwork everyone else around us!

Rockefeller, as a small child in school and as an older one at work, never amazed anyone through his innate brilliance. Rather embarrassingly, the consensus seemed to be that he wasn't mentally agile — except for an affinity for mathematical manipulation, which you probably share as a 21<sup>st</sup> Century accountant! John D. had to work extra hard initially just to keep up with and then surpass others.

Each of us have 24 hours a day or 168 hours a week to live out every aspect of our lives. So, the usual mainstays of time management, including prioritising, scheduling and juggling, are vital to maintaining a healthy life balance. Yet, there comes a moment in every man and woman's career when a period of stark imbalance must be accepted, even embraced, to provide the thrust necessary to propel this individual beyond less ambitious co-workers.

During this season of accepted imbalance, a healthy form of acute workaholism should be adopted. This differs from the more common sort of low productivity

chronic workaholism exhibited by those who unhealthily use the veil of endless hours at the office to avoid dealing with family issues or personal feelings of self-loathing.

The healthier form of workaholism involves proactively accepting a season of productive imbalance to build a better future for loved ones.

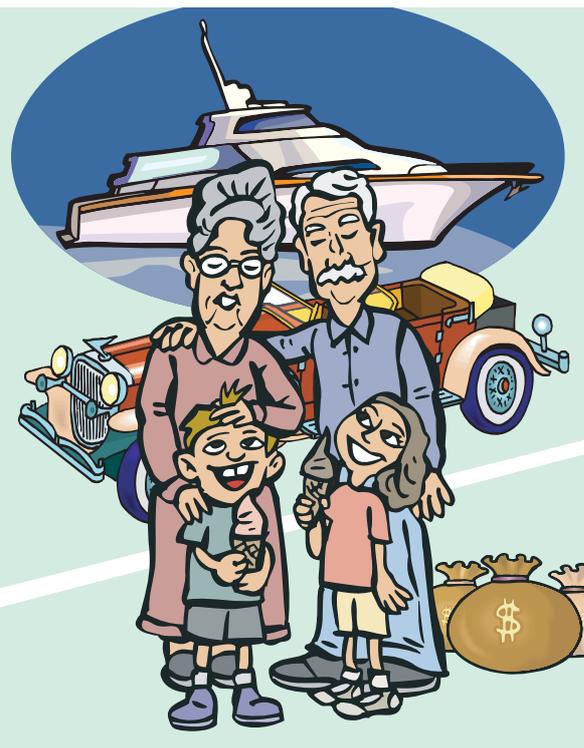
How can we tell the difference between the two forms? Well, one indicator of the bad form is a rising addiction to adrenalin. Each of us has experienced an 'adrenalin rush' while going full tilt to finish a stressful project. Those who grow addicted to adrenalin tend to link frenetic activity to self-worth. So, if you've ever caught yourself thinking — even silently — "I'm busy therefore I'm important," you may suffer from the wrong sort of workaholism.

A lesson I've derived from years of working with consulting clients, some of whom were workaholics of the wrong sort, is that it's possible to retain a capacity for long bouts of work while weaning ourselves from the physically damaging adrenalin highs associated with extreme spikes in stress levels. (An associated lesson I've gleaned from my financial planning consultancy is that those retirement planning clients who appreciate the wisdom of having a well diversified, regularly rebalanced portfolio of moderate risk tend to reach their financial goals in better shape than high-roller casino-type speculators! Time management is similar; those who work hard initially for a higher purpose tend to live better, longer lives than those who lose sight of why they became workaholics in the first place.)

So, work hard, but aim to do so only for a season. Life is to be lived, not squandered in unremitting toil.

You might find it interesting that Rockefeller ended up enjoying a long, multi-decade retirement marked by great giving and living. He passed away at the age of 97 years and 10 months. **AT**

Rajen Devadason, CFP, is a speaker, author and independent consultant. He's the author of the time management e-book *Unshackled — 7 Ways to Make TIME for MY Dreams*. Through his free time management eCourse, his corporate workshops, and his *Personal Effectiveness Training (PET)* online consulting module, Rajen has helped professionals around the world enhance their personal value in the job market. His internationally read, free electronic magazine *GET BETTER* can be subscribed to at no cost at [www.RajenDevadason.com](http://www.RajenDevadason.com). Rajen welcomes feedback at [raj@RajenDevadason.com](mailto:raj@RajenDevadason.com).



# THE Best Internal Audit Practice Award 2007

*Entries for BIAPA 2007 are now open*

For the third time, the Malaysian Institute of Accountants (MIA) and the Institute of Internal Auditors Malaysia (IIA Malaysia) will honour organisations with outstanding internal audit practices through its Best Internal Audit Practice Award (BIAPA).

BIAPA is the country's most prestigious award in recognition of internal audit practice. The goal is to recognise and award companies that have continuous development and promotion of best practice, lead-

ership and professionalism in internal audit and enhancement of internal audit roles in corporate governance, risk management and internal control.

The award is open to companies with an in-house internal audit department. The awards will be given to three categories of companies:

- 1 Company with shareholders' equity of more than RM500 million;
- 2 Company with shareholders' equity of less than RM500 million
- 3 Government sector/statutory agencies/regulatory bodies

Candidates will be evaluated against the three criteria:

- Positioning and audit strategies (40 per cent)
- Process/enabler (30 per cent)
- Audit resource capability (30 per cent)

Nominations which meet the entry requirements and qualifying information will be interviewed by a selection committee. This year, a site visit will be conducted to get a better insight into an internal audit department. Finally, winners of the award will be selected by an independent adjudication committee after conducting the final interview with three finalists identified.

As in previous years, to participate in BIAPA 2007, companies are required to complete a nomination form and the qualifying information consisting of 21 questions. Supporting documents may need to be disclosed in respect to some of the qualifying information.

The chairman of BIAPA urges companies to participate in the award as winning it would boost the image of an organisation. He added that the organisers hoped the award would encourage local companies to seek a higher level of governance ownership by adopting global best practices, thereby boosting Malaysia's image in the international business community.

In addition, all participating companies will receive a copy of the 2007 Best Internal Audit Practices Booklet, which contains summaries of innovative audit practices observed during the 2007 BIAPA.

Nomination forms are available from the BIAPA 2007 Secretariat. They can contact Noor Azlina Abu Bakar or Zulfa at 03-2279 9200. Companies must submit nomination forms before 31 July. They can also download it from the Institute's website.

BIAPA 2007 is supported by Bursa Malaysia, the Malaysian Institute of Corporate Governance (MICG), the Minority Shareholder Watchdog Group (MSWG) and the Malaysian Institute of Integrity (MII). **AT**

**2007 BEST INTERNAL AUDIT PRACTICE AWARD**  
*The Accolade for Internal Audit Practice Excellence*

**OPEN FOR NOMINATION**

Jointly Organised By:  
 IIA The Institute of Internal Auditors Malaysia  
 40 MIA MALAYSIAN INSTITUTE OF ACCOUNTANTS

CHALLENGE TROPHY

Successful internal audit practices in organisations deserve to be highlighted and shared in order to promote innovation and foster better corporate governance. For the third time, The Institute of Internal Auditors Malaysia and the Malaysian Institute of Accountants will honour organisations with outstanding internal audit practices in Malaysia through its Best Internal Audit Practice Award (BIAPA).

**OBJECTIVES**

The objective of BIAPA is to recognise and award companies with outstanding internal audit practices through the demonstration of:

- Continuous development and promotion of best practices in internal audit,
- Promotion of leadership and professionalism in internal audit
- Enhancement of internal audit roles in corporate governance, risk management and internal control

**PRIZES**

In recognition of their excellent performance, the Award winners will receive prestigious prizes which include:

1. Challenge Trophy
2. Replica Trophy
3. Certificate of Excellence
4. Complimentary vouchers to attend the National Conferences organised by IIA Malaysia and MIA
5. Wide publicity through media exposure, and announcements in newsletters and websites of IIA Malaysia and MIA

Participating companies will receive an exclusive copy of the 2007 Best Internal Audit Practices Booklet which contains summaries of innovative audit practices observed during the 2007 BIAPA.

Nomination forms can be downloaded from the following websites:  
 IIA Malaysia's website: [www.iiam.com.my](http://www.iiam.com.my) MIA's website: [www.mia.org.my](http://www.mia.org.my)

For more details please contact:

**THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA** - Tel: (603) 9282 1148 Fax: (603) 9282 1241  
**MALAYSIAN INSTITUTE OF ACCOUNTANTS** - Tel: (603) 2279 9200 Fax: (603) 2273 1016

A workshop will be held to assist BIAPA participants.

Supported By:

BURSA MALAYSIA MICG Malaysian Institute of Corporate Governance MSWG

# National Annual Corporate Report Awards 2007

## *Entry for the National Annual Corporate Report Awards or NACRA 2007 competition is now open.*

Winning the prestigious NACRA award has increasingly become a target of many organisations, which clearly demonstrates the wide recognition of NACRA as the benchmark for excellence in corporate reporting. The award aims to promote greater corporate accountability and more effective communication by organisations through the publication of timely, informative, factual and reader-friendly annual reports. This is the very essence of NACRA's theme – "Towards Excellence". This has become more important as the Malaysian capital market has entered the disclosure-based regime, where investors have to assess the viability of their investment based on information provided by the companies.

The NACRA 2007 Organising Committee is also pleased to announce that NACRA is an annual event jointly organised by Bursa Malaysia Berhad, the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Management (MIM) and the Malaysian Institute of Certified Public Accountants (MICPA).

The NACRA competition is open to all companies incorporated or registered in Malaysia, both listed and non-listed, as well as public sector and other organisations established in Malaysia. Ken Pushpanathan, Chairman of the NACRA 2007 Organising Committee, adds that all companies listed on Bursa Malaysia automatically qualify for NACRA but their annual reports are subject to preliminary screening. Only those annual reports which meet all the preliminary screening criteria will qualify for detailed adjudication. He also encourages more non-listed companies and other organisations to participate in NACRA 2007.

Mohammad Faiz, Chairman of the NACRA 2007 Adjudication Committee highlighted that the NACRA Adjudication process consists of two levels of assessment, i.e. the preliminary screening and the detailed adjudication. All annual reports are required to meet 14 criteria before they qualify for detailed adjudication, except that

three of the criteria are not applicable to companies listed on the MESDAQ Market.

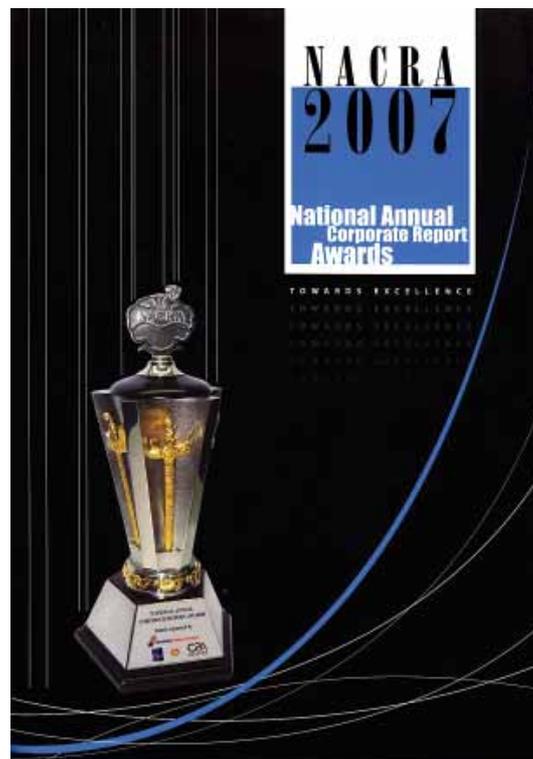
Faiz added that detailed adjudication itself is carried out in two stages. At the first stage, the annual reports are assessed within industry groups. The annual report which achieves the highest level of overall excellence within an industry group is adjudged the winner of the Industry Excellence Award. Those reports which are nominated by the industry group adjudicators for the Overall Excellence Award and Presentation Awards are subject to a second round of detailed adjudication. This will be carried out by an independent panel of adjudicators appointed by the Adjudication Committee.

The key adjudication criteria for NACRA include: timeliness of publication of the annual report, compliance with approved accounting standards and statutory requirements, adequate disclosure of relevant information on the objectives, operations, financial performance, corporate social responsibility, future prospects of the organisation, as well as the visual impact of the presentation of information.

The adjudication panel, consisting of more than 70 members drawn from commerce and industry, public accounting, securities, advertising and communication firms and academic institutions will carry out a thorough assessment of the annual reports based on established criteria.

The following categories of awards will be presented:

- **Overall Excellence Award** for the Most Outstanding Annual Report of the Year
- **Industry Excellence Awards** for companies listed on the Main Board, Second Board and the MESDAQ Market
- **Presentation Awards** Best Designed Annual Report



Best Annual Report in Bahasa Malaysia

- **Environmental Reporting Award**
- **Special Award for Non-Listed Organisations and Certificates of Merit** will also be presented to all finalists in recognition of the high quality of their annual reports, and as an encouragement to each of them to achieve higher levels of excellence in corporate reporting.

The NACRA Organising Committee has been encouraging wider participation by expanding the range of Awards to be presented. In this regard, the Organising Committee in 2006 introduced Platinum, Gold and Silver Award rankings for the Overall Excellence Award, the Environmental Reporting Award and the Presentation Award. The Committee hopes that this initiative will spur greater competition amongst corporate Malaysia to strive for excellence in annual corporate reporting.

Since it was launched in 1990, the criteria for NACRA has been reviewed and revised each year with a view to improving the quality of the annual reports.

The closing date for submission of entries (for non-listed organisations and other organisations) for NACRA 2007 is Monday, 30 July 2007. **AT**



*Yap addressing the participants*

## Maximising Your Wealth

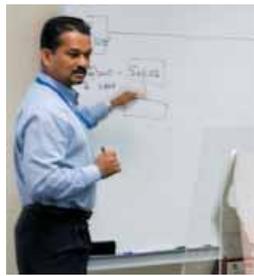
Wealth management should focus on your life instead of investment returns, according to Yap Ming Hui, Chief Financial Coach of Whitman Independent Advisors Sdn Bhd. He said this to participants of a programme organised by MIA where he spoke about the flaws and pitfalls of traditional wealth management, which focused only on investment returns.

In his presentation, Yap used real-life stories to convince participants to attain a new level of success in wealth management.

The programme ran from 18 May to 26 June. **AT**



*Yeo Tek Ling making his presentation*



*Ravee Vasu sharing his experience with the participants*

### PENANG BRANCH

## Workshop about NAfMA

MIA Penang Branch and the Chartered Institute of Management Accountants (CIMA) Malaysia Division organised the National Award for Management Accounting (NAfMA) workshop on 30 May at the Penang branch office.

Branch Committee Member Ooi Kok Seng opened the workshop. The workshop was conducted by NAfMA Organising Committee Chairman, Yeo Tek Ling.

Among the attendees were Jack Ong, head of Penang and Johor branches, CIMA Malaysia Division, Ooi Phaik Swee, Internal Audit Manager, Osram Opto Semiconductor (M) Sdn Bhd, and Ravee Vasu, Finance Director of Philips Lumileds Lighting Co, which was last year's NAfMA Excellence Award winner.

The workshop's goal was to promote the NAfMA Awards among participants, recognise the use of best practices in management accounting and to work towards value creation and world-class performance among organisations.

Yeo highlighted eight criteria for the awards: Leadership, management accounting information, resource management, customer/market focus, partnership management, value creation, business results and corporate social responsibility.

The workshop was attended by participants from multinational companies, public-listed companies and non-listed small and medium enterprises.

Ravee gave a briefing on his experience as a winner of the award. He talked about guidelines on how to participate and achieve success.

He shared his insights into Philips Lumiled's success and said NAfMA had helped to improve its management accounting skills. **AT**



*Participants listening attentively during the talk*



*Participants during the talk*

## Evening Talk on Negotiating for Results

In an effort to complement and supplement the full day CPE programmes, MIA Penang Branch organised another evening talk, *Negotiating For Results* at its premises on 18 May 2007. Some 40 members and their associates attended this talk. Also present was Committee Member, Ooi Kok Seng who delivered the welcome address.

Dr. Rumesh Kumar, who was the speaker for the evening is the Managing Director of the Kanzen Institute Asia Pacific and a Certified Training Professional with more than 20 years experience. He is a faculty member of both the KM Institute USA and the University of South Australia. The talk covered the concept of negotiation skills and how to adequately prepare oneself to conduct negotiations in a confident manner in order to achieve the best possible outcome.

For the benefit of the participants, this talk focused on distin-

guishing between interests, issues and positions in negotiations and recognising the difference between constructive and destructive debates. Dr. Rumesh strongly believes that this skill helps boost morale and improve productivity as participants will discover their maximum potential to perform at their best level both at the workplace and at home. He did a good job even sharing his own experiences with the crowd.

Dr. Rumesh's dynamic presentation and friendly approach was well received by the participants. They emerged from the talk better equipped to negotiate confidently. **AT**



*Dr. Rumesh Kumar presenting his evening talk*

## MIA Penang Visits PDC

The MIA Penang Branch Committee visited the Penang Development Corporation (PDC) on 17 May. The group was led by Branch Chairperson Adelena Chong who was accompanied by Ooi Phaik Swee and Professor Dr. Hasnah Haron, both Penang Branch Committee Members, Khoo Choon Keat, a taxation working group member and MIA staff.

The MIA delegates were greeted by Datuk Rosli Jaafar, the General Manager of PDC, Deputy General Manager Abdul Rahim Isahak and head of the Corporate Division Aznita Zainuddin.

Rosli talked about PDC's projects for the Ninth Malaysia Plan with the vision of turning Malaysia into a developed nation by 2020.

He said steps needed to be taken to develop Penang to compete in the global market.

PDC will develop Bayan Baru, Bayan Lepas and Batu Kawan in the future. Batu Kawan will not only

be developed as a resort city, but Penangites travelling to and from the island can breathe a sigh of relief as a second bridge will be built to link Batu Kawan to Penang Island.

Furthermore, as Penang is a serious contender among investors, steps will be taken to position it as a manufacturing powerhouse and a financial hub in Asia.

Rosli said importance will be given to small and medium industries, as they were the engines of growth in building a developed nation.

MIA delegates also talked about activities to commemorate its 40th anniversary such as the Accounting Fair, CEO's Forum and Annual Dinner.

The visitors asked PDC to take part in these events to boost ties between both organisations. **AT**



*Members of MIA Penang Branch and the PDC officials at the recent courtesy visit*

## JOHOR BRANCH

### Workshop on NA/MA Awards

MIA recently conducted a workshop in Johor on the National Award for Management Accounting (NA/MA).

Yeo Tek Ling, NA/MA's Organising Chairman, talked about the awards' entry requirements, assessment procedures and criteria.

The workshop, held on 18 May at MIA's Johor office, gave the 21 participants a more in-depth understanding of the awards. **AT**



*The participants listening attentively*



*Yeo addressing the audience*

## SABAH BRANCH

### Labuan Chapter Members Dialogue

MIA SABAH Branch Chairperson Alexandra Thien and Branch Manager Lucy Read attended a members dialogue in Labuan on 7 June.

Thien briefed the members on the practice matters while Read talked about the revised By-Laws for PAIB. **AT**



*The dialogue in progress*



Participants raring to go



Happy participants with their prize

SARAWAK BRANCH

**The Greenie Accountants Race**

It was both a treasure hunt and a chance to learn about environmental issues. The Greenie Accountants Race in Kuching on 1 May 2007 was sponsored by the Sarawak Branch of ACCA. The race saw the participation of MIA members, ACCA members and students and CAT students with their families and friends who learnt about local places and things relating to nature.

The race was a competition against time and took 104 treasure hunters around Kuching and its outskirts. Participants deciphered clues, drew pictures, hiked-up a mountain retreat and identified trees and plants. Each participant received souvenirs from the organisers and from the Sarawak Tourism Board. **AT**

**Bringing Accountancy to Students**

MIA's Sarawak Branch is working with students and lecturers of the UiTM Sarawak Campus on community projects and the first activity was an accountancy career guidance forum at SMK Tunku Abdul Rahman, Petra Jaya.

Representatives from MIA Sarawak Branch, UiTM and Perkata Sarawak



The school is one of the first schools to introduce Principles of Accounting in Form 4.

The Branch Manager Lucy Read, talked about MIA and accountancy.

Together with Read on the panel were Wan Idris Wan Ibrahim (Branch Committee) and Mohd Shah Mamat (UiTM). Other UiTM lecturers who are MIA members — Susana Narawi, Josephine Avelind Noyem and Azlin Abdillah — gave an insight into their careers in accountancy.

The second activity was the donation of stationery to Perkata Special School.

MIA Sarawak Branch thanks KPMG, Kong Pak Nam, Tiong & Co, ES Lim & Co, Chin & Lau Partners, CT Wong & Co, WM Chiew & Co, Moore Stephens TNT, Susana Narawi and Dayang Rostylawati for their contributions.

The donated paper, pencils, crayons, colour pencils, markers, glue and scissors were handed to Chan Choon Seng, Secretary of Persatuan Bagi Kebajikan Kanak-kanak Terencat Akal (Perkata) Sarawak by David Tiang, Branch Chairman and Khairul Anwar Masri, President of Diploma in Accountancy Society of UiTM Sarawak at MIA's Kuching office recently. **AT**



Participants listening attentively during one of the seminars

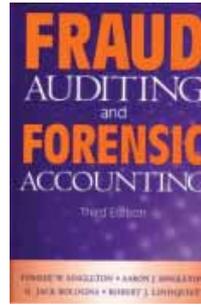
**Seminars for SMEs**

The Sarawak Branch successfully organised seminars on "Tax Planning for SME's and Taxation for Investment Holding Companies Incorporating Budget 2006 & 2007 Changes" in Kuching, Sibu, Miri and Bintulu. The branch initiated seminars were supported by CPA Australia, ACCA and CIMA. A total of 299 participants, attended and benefited from the seminars. **AT**

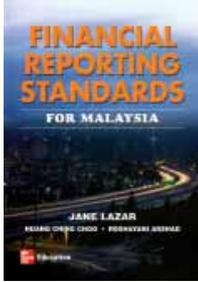
# Publication Order Form



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Best Practices  
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Publisher: John Wiley & Sons  
Price (RM): MIA member/Students : RM233.80  
Non-MIA members : RM259.80



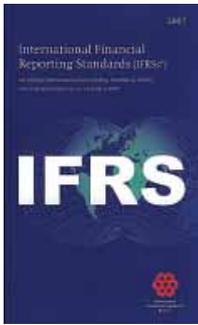
**2**  **Fraud Auditing and Forensic Accounting 3rd Edition**  
by Tommie W. Singleton, Aaron J. Singleton, G. Jack Bologna and Robert J. Lindquist  
Publisher: John Wiley & Sons  
Price (RM): MIA member/Students : RM233.80  
Non-MIA members : RM259.80



**3**  **Financial Reporting Standards in Malaysia**  
by Jane Lazar  
Publisher: McGraw-Hill Education  
Price (RM): MIA member/Students : RM54.00  
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**4**  **Consolidated Financial Statements 4th Edition 2005**  
by Assoc. Prof. Tan Liong Tong  
Publisher: Professional Advancement Achievement Centre Sdn Bhd  
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Non-MIA members : RM105.00



**5**  **International Financial Reporting Standards (IFRS) 2007**  
Publisher: International Accounting Standards Board  
Price (RM): MIA member/Students : RM190.00  
Non-MIA members : RM250.00



**6**  **Financial Reporting Standards**  
Publisher: Malaysian Accounting Standards Board (MASB)  
Price (RM): MIA member/Students : RM75.00/set  
Non-MIA members : RM90.00/set

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I/We would like to order: **1**  Quantity; **2**  Quantity; **3**  Quantity; **4**  Quantity; **5**  Quantity; **6**  Quantity;

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Johor  Penang  Sarawak\*  Sabah\*

\* For collection at Sabah & Sarawak additional RM10.00/book is applicable.

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\*Cheques in RM should be crossed and made payable to **Malaysian Institute of Accountants**

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e-mail: promotion@mia.org.my. For enquiries, please contact Development & Promotions



Association of Chartered Certified Accountants ▼

### ACCA Members' Dialogue in 2007

Another round of members' dialogues have been organised for 2007. Beginning March this year, the sessions have already provided members from all over Malaysia the opportunity to interact and get updates on ACCA and the accounting profession.

The sessions were held in Kuala Lumpur, Ipoh, Kota Bahru, Penang, Alor Setar and Johor Bahru.

The ACCA Members' Dialogue proved to be an important medium for members to provide feedback

on key issues such as membership, services and Continuing Professional Development (CPD) topics. During these regional dialogues, ACCA members were able to acquire insights and updates on various issues involving ACCA's development and growth in Malaysia presented by prominent members of the ACCA Malaysia Advisory Committee (MAC).

For further information on ACCA Members' Dialogues, contact Ang Wen How at (603) 2713 5051 ext. 16 or e-mail [wenhow.ang@my.accaglobal.com](mailto:wenhow.ang@my.accaglobal.com).

The registration form can be downloaded at [www.accaglobal.com/malaysia/members/events/](http://www.accaglobal.com/malaysia/members/events/)

"The CFO Summit 2007 aims to help CFOs redefine their objectives and roles to meet the challenges posed by today's global economy."

### ACCA-ASLI CFO Summit 2007

*"CFO — Creator of Value in Uncertain Times"*  
**14-15 August 2007, Carlton Convention Centre, Ritz Carlton Kuala Lumpur** 16 CPD units

ACCA and ASLI are proud to host the annual CFO Summit. This high profile event will demonstrate how CFOs can enhance their capabilities as leaders by adding value to an organisation, driving its profitability and ensuring sustainable development practices are implemented. The CFO Summit 2007 aims to help CFOs redefine their objectives and roles to meet the challenges posed by today's global economy. The confer-

ence will bring together respected professionals and experts from various industries and across national borders, who will share their wisdom, insight and experience on pivotal issues faced by CFOs today.

For further information on the event or to book a place, contact:

Rina Thiagu at ACCA, Tel: (603) 2713 5051  
 e-mail: [cpd\\_acca@my.accaglobal.com](mailto:cpd_acca@my.accaglobal.com)

website: [www.malaysia.accaglobal.com](http://www.malaysia.accaglobal.com)  
 or Max Say at ASLI Tel: (603) 2093 5392,  
 e-mail: [maxsay@asli.com.my](mailto:maxsay@asli.com.my)  
 website: [www.asli.com.my](http://www.asli.com.my)

"... the presentation also provided the opportunity for both organisations to foster a closer partnership in the aspect of Staff Learning and Development."

### ACCA Corporate Presentation — Malaysia Airlines

In line with its efforts to provide a better understanding of the ACCA professional accounting qualification, ACCA and Malaysia Airlines System (MAS) jointly organised a presentation session on Pathways to the ACCA and CAT Qualifications.

Apart from enhancing better corporate working relations between ACCA and MAS, the presentation also provided the opportunity for both organisations to foster a closer partnership in the aspect of Staff

Learning and Development. The talk was also intended to encourage finance employees to take up professional qualifications in tandem with progressive career development. Through the presentation, ACCA and MAS hope to provide employees with the options available for them to upgrade their job skills and qualifications.

Lily Wong, Manager of Business Development at ACCA facilitated the morning talk with a presentation on the *Insight Series: The Finance Professional in 2020*, as well as a presentation on ACCA and CAT qualifications to MAS' finance teams from various departments.

### ACCA and PricewaterhouseCoopers Promote Career in Accounting

A special presentation by ACCA and PricewaterhouseCoopers was organised for Maktab Rendah Sains Mara (MRSM) Taiping students in conjunction with the school's career day. 100 students attended the talk presented by Zaiti-Waddel Mohd Ali, Senior Executive, Employer Relations, ACCA and Azizan Zakaria, Executive Director Assurance Services PricewaterhouseCoopers (PwC).

The talk included presenta-

tions from ACCA on CAT and ACCA qualifications and from PwC on the accounting profession and its many benefits. Being a Fellow Chartered Certified Accountant (FCCA) and a member of the Malaysian Institute of Accountants (MIA), Azizan shared his experiences on the accounting profession.

Students were also presented with the many facets of the accounting profession, the benefits of choosing a career as an accountant and the path to add value by becoming a professionally qualified accountant.

Apart from this, students were also given a briefing on the routes to obtaining the CAT and ACCA qualifications as well as the advantages of becoming a professionally qualified accountant with a globally recognised professional accountancy body such as ACCA.

Students at the presentation



Chartered Institute of Management Accountants ▼

## Gordon Grant Elected as New CIMA President

Scotsman Gordon Grant, FCMA, has been elected as President of CIMA at the AGM in London on 9 June 2007. The AGM also saw the election of Glynn Lowth as Deputy President and Aubrey Joachim as Vice-President.

At the age of 44, Gordon holds the record as the youngest ever elected Council Member and has now

become the youngest President of the Institute in over 50 years.

Gordon has served on many of CIMA's policy committees and has been a Council Member for 11 years. His involvement began at branch level in 1986 as a student. He then became President of the Edinburgh and district branch in 1993.

He is currently the Finance Director of DEM Solutions Ltd, a rapidly growing software company based in Edinburgh. Prior to this, Gordon worked for NXFD and was also Finance Director at Edinburgh Petroleum Services Ltd. **AT**



Gordon Grant, CIMA's newly elected President

## Training the Trainers

CIMA lecturers from the Asia Pacific region received Mind Planning training at the second regional train-the-trainer workshop from 24-25 May in Kuala Lumpur.

The event attracted 58 participants from various CIMA Learning Partner colleges in China, Singapore, Sri Lanka, Indonesia and Malaysia. One of CIMA's newest learning partners, Guru Nanak Institute of Management Studies in India, also participated in the workshop.

The Mind Planning process is designed to improve students' understanding and recall of information to help them pass CIMA examinations. The technique

was developed by trainer Chris Cain and has already helped to produce many prize winners in the CIMA examinations.

In her welcome remarks, Sopiah Suid, Divisional Director of CIMA Malaysia said, "This workshop will provide lecturers with the knowledge and skills in training CIMA students to pass the examinations and thus improve the pass rates within the region." **AT**



Trainer, Chris Cain (standing right) in discussion with a participant

## CIMA Launches Degree Links with Universities

### Fast track degree opportunities for CIMA students and members

CIMA has collaborated with the UK Committee of Heads of Accounting to develop its newly launched Degree Links directory. This online listing and information portal forms a link with participating universities to promote fast track degree opportunities available to CIMA students and members.

The searchable directory offers information on degree programmes which grant partial exemption from master's degrees to CIMA members and from undergraduate degrees to CIMA students holding an Advanced Diploma. The extent of the partial exemption granted to CIMA members and students varies by institution and by programme. Study methods also vary and include full time, part time, distance learning, and limited attendance options.

The Chair of the Committee of Heads of Accounting, Professor Elaine Harris of De Montfort University, said "We are pleased

to have worked with CIMA on the development of its new degree links site and fully support CIMA's strategy to offer degree opportunities to non-graduate CIMA students and the widest possible range of continuing professional development opportunities to CIMA members. We wish CIMA every success with this initiative and look forward to continuing the good working relationship we have with CIMA in the future."

The directory is designed to highlight the range of opportunities available in universities across the UK, as well as opportunities at the University of Lille, France, for European-based CIMA members, and Deakin University, Australia, for CIMA members' worldwide who would like to pursue an MBA through distance-learning.

The directory will be useful for CIMA members wishing to study a master's degree as part of their Continuing Professional Development (CPD) which is now a requirement for all members of UK accountancy professional bodies.

Robert Jelly, CIMA's Director of Educa-

tion commented, "We are very pleased to be launching this facility for the benefit of CIMA members and students wishing to further their academic education for CPD purposes or to add value to their CVs. The degrees can be done anytime and with any of the participating universities, making their flexibility a key benefit.

"This is an inclusive, not exclusive initiative between CIMA and the Higher Education sector. We anticipate this will be a 'living' directory with new programmes added as more institutions join CIMA, resulting in an ever wider choice of fast track degree opportunities to our members and students.

"As the only UK accountancy body with a sole focus on business, we are pleased to collaborate with the Committee of Heads of Accounting to develop this important facility. This is a great example of professional and academic qualifications working together to deliver what employers want."

For further details on the CIMA Degree Links go to: [www.cimaglobal.com/degreelinks](http://www.cimaglobal.com/degreelinks). **AT**



CPA Australia ▼

## CPA Australia Formalises Relations with Indonesian Accountants

CPA Australia has further enhanced its relations with professional accounting bodies in the Asia Pacific region with the signing of a Memorandum of Cooperation with the Indonesian Institute of Accountants “*Ikatan Akuntan Indonesia*” (IAI) recently.

President of CPA Australia, Paul Meiklejohn FCPA, said this memorandum will pave the way for closer working relationships, mutually beneficial joint programmes and will further enhance the mobility and international recognition of the designations and memberships of both bodies.

“We believe this agreement will provide further opportunities for us to work closely together through joint continuous professional development activities, knowledge sharing and close collaboration in international forums. It will also enhance both organisations’ standing among the member bodies of the ASEAN Federation of Accountants (AFA) and the International Federation of Accountants (IFAC),” said Mr. Meiklejohn.

Under this memorandum, CPA Australia will work

with the Indonesian Institute of Accountants in the areas of training; International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISAs); international affiliation; and will work towards the mutual recognition of qualifications.

Mr. Meiklejohn said, “We have actively supported our members across the Asia Pacific region for more than 50 years. Our energy towards continuing to develop strong relationships with our neighbours in the region gains momentum each year. It was only last year that we signed cooperation agreements with Vietnam and Cambodia. And now we are strengthening our ties with Indonesia. As part of our international strategy, we look forward to engaging with other professional associations in the region in the future.”

CPA Australia believes a strong regional voice is essential to addressing the concerns of the accounting profession at a global level — especially within the international standard setting arena. CPA Australia has a number of initiatives in places, such as its Asia Pacific Financial Reporting Advisory Group, and will look to engage more closely with its colleagues in Indonesia to further enhance these efforts.

“We believe we can achieve much more by working together than as individuals,” said Mr. Meiklejohn. [AT](#)

“We have actively supported our members across the Asia Pacific region for more than 50 years. Our energy towards continuing to develop strong relationships with our neighbours in the region gains momentum each year.”

**Paul Meiklejohn,**  
President,  
CPA Australia

## British and Australian Accounting Bodies Forge New Link

The Chartered Institute of Public Finance and Accountancy (CIPFA) and CPA Australia Ltd have signed a Mutual Recognition Agreement (MRA) that will enhance international mobility within the accountancy profession, particularly in the public sector.

The MRA further develops the already close relationship between the two bodies. It identifies areas for mutually beneficial joint initiatives and establishes guidelines for how appropriately qualified members can gain reciprocal membership.

Any of the 13,500 CIPFA members holding a degree recognised by CPA Australia and who have completed the CIPFA Final Test of Professional Competence and completed three years relevant, mentored practical experience will be eligible for membership of CPA Australia. Similarly, any of CPA Australia’s 112,000 members, of whom 10 per cent work in the public sector, will be admitted to CIPFA provided they have completed the CPA Programme and gained three years relevant working experience recognised by CIPFA.

President of CPA Australia, Paul Meiklejohn FCPA, said “Opportunities for

accountants are no longer constrained by national borders. CPA Australia believes that strong international relationships with other significant and influential accounting bodies benefits the profession and its members, wherever they are in the world.

“This MRA will pave the way for closer working relationships and further enhance the mobility and international recognition of the designations and memberships of both bodies.

CIPFA Chief Executive Steve Freer said “This agreement is a very useful and practical way of increasing professional mobility for accountants in our respective countries. Young people finishing their training now will have choices that were simply not available to past generations.”

The agreement will provide further opportunities for CIPFA and CPA Australia to work closely through joint continuous professional development activities, knowledge sharing and collaboration in international forums. It is expected to enhance both organisations’ standing among the member bodies of the International Federation of Accountants.

The signing ceremony took place during the CIPFA Annual Conference in Bournemouth, England. [AT](#)

## MBA Scholarships in Australia and Overseas

Seven online MBA scholarships are being offered to CPA Australia members through U21Global.

The online programme awards offer an MBA study grant for a CPA:

- residing in Australia at the time of application — one award (worth 50 per cent of tuition fee)
- residing outside of Australia at the time of application — one award (worth 50 per cent of tuition fee)
- residing in Australia at the time of application — five awards (each worth 20 per cent of tuition fee)

Applications close 21 September 2007.

For further information, including selection criteria and application forms, please visit the U21Global website. [AT](#)



The Malaysian Institute of Certified Public Accountants ▼

## MICPA-BURSA MALAYSIA Business Forum 2007

The *MICPA-Bursa Malaysia Business Forum 2007* will be held from September 3-4, 2007 at Shangri La Hotel Kuala Lumpur. The theme for this year's Business Forum is "*Malaysia – The New Arena*".

YB Dato' Seri Rafidah Aziz, Minister of International Trade and Industry will deliver the Opening Keynote Address at the Business Forum. A panel of distinguished speakers and commentators including corporate leaders, senior government officers, business professionals and capital market regulators will lead discussions and share their knowledge, experiences and best practices with participants over the two-days in the Plenary Sessions as follows:

### Day 1

- Session 1:* Positioning Malaysia as the Global Islamic Financial Centre
- Session 2:* Free Trade Agreements — Impact on Malaysia's Business
- Session 3:* New Growth Corridor in Malaysia — Iskandar Development Region

### Day 2

- Session 4:* Corporate Social Responsibility (CSR)
- Session 5:* Building Growth through Mergers and Acquisitions
- Session 6:* Investment in Asia — Opportunities, Risk and Rewards. Case Study on China, India and Vietnam

Look out for more details on the MICPA-Bursa Malaysia Business Forum 2007 in the August issue of *Accountants Today*. **AT**

"A panel of distinguished speakers and commentators including corporate leaders, senior government officers, business professionals and capital market regulators will lead discussions..."

## Certified Financial Accountant (CFiA) Qualification

The Malaysian Institute of Certified Public Accountants (MICPA) has introduced a professional qualification called the *Certified Financial Accountant (CFiA)*. The CFiA qualification is intended to be a qualification in its own right and will equip accounting graduates with the knowledge and competencies expected of a professional accountant in business. CFiA holders will be well equipped to build a career in accounting, finance and management in the business, public sector or commerce and industry. The qualification also serves as the gateway to attaining the CPA qualification at a later stage of their careers.

There are two alternative admission routes for attaining the CFiA qualification:

### Admission Routes

#### Route 1

- Possess an accredited Bachelor of Accountancy degree;
- Complete the CFiA Professional Competence Programme; and
- Obtain not less than three years' approved practical experience.

#### Route 2

- Possess an accredited Bachelor of Accountancy degree or pass the MICPA Professional Stage Examination;
- Pass both Module C — Advanced Taxation and Module D — Advanced Financial Reporting of the MICPA Advanced Stage Examination;

- Completion of Module 4 of the CFiA Professional Competence Programme; and
- Obtain not less than three years' approved practical experience.

### The CFiA Professional Competence Programme

The CFiA Professional Competence Programme comprises 60 hours of interactive workshops and consists of four modules as follows:

- *Module 1* Advanced Taxation
- *Module 2* Advanced Financial Reporting
- *Module 3* Corporate Governance, Professional Values & Ethics
- *Module 4* Business Finance and Management + Integrative Case Study

Candidates' professional capabilities and competencies will be assessed through a combination of written assignments, quizzes and tests, project papers and final assessment through an integrative case study.

### Membership Rights of a CFiA

A CFiA will have the same rights of membership as a member with the CPA status, with the exception of the right to vote at general meetings of the Institute and the right to carry out any duty reserved to CPAs. They will be entitled to access the full range of services provided by the Institute to members.

For further information on the CFiA qualification and registration details, please contact Cik Adzlyn Aladzimy, Membership Services Officer at 03-2698 9622 or e-mail: [membership@micpa.com.my](mailto:membership@micpa.com.my) **AT**

"The CFiA qualification is intended to be a qualification in its own right and will equip accounting graduates with the knowledge and competencies expected of a professional accountant in business. CFiA holders will be well equipped to build a career in accounting, finance and management in the business, public sector or commerce and industry."



## IFAC Launches Survey on the Financial Reporting Supply Chain

The International Federation of Accountants (IFAC) is inviting all participants in the financial reporting supply chain, including investors and other users of financial reports, standard setters, preparers, auditors, academics, and regulators to complete a global survey designed to obtain information that could strengthen the financial reporting process. The survey, which may be completed through July 6, 2007, is part of an IFAC project designed to analyse the financial reporting supply chain and to develop recommendations to further improve the quality of financial reporting. It can be accessed online at [www.ifac.org/financialreportingsurvey](http://www.ifac.org/financialreportingsurvey).

Specifically, the survey seeks the views of those in the financial reporting supply chain on corporate governance, financial reporting, and financial auditing and asks what actions they think will further improve the quality of the financial reporting process. The survey will be complemented with a number of in-depth one-on-one interviews.

"The survey and interviews also seek opinions on the usefulness of financial reports and how these reports might be made more relevant, understandable and reliable. This information is especially valuable as, ultimately, it is the financial reports that influence investors and other stakeholders in their decisions about public companies," states Project Chair Norman Lyle. Mr. Lyle recently retired as Group Finance Director of Jardine Matheson Holdings Limited in Hong Kong and is a former President of the Chartered Institute of Management Accountants (CIMA) in the UK, an IFAC member body.

This global initiative will evaluate past recommendations made by IFAC to improve the quality of the various links in the financial reporting supply chain, including those expressed in the IFAC reports, *Rebuilding Public Confidence in Financial Reporting: An International Perspective* (2003) and *Challenges and Successes in Implementing International Standards: Achieving Convergence to IFRSs and ISAs* (2004). It will also identify newly emerging issues and innovations and develop proposals to further improve the quality of the financial reporting process.

A final report will be issued by the end

of the year and will be posted on the IFAC website. **AT**

## IFAC Seeks Comments on Proposed Preface to New Management Accounting Guidance and Releases Guidance on Developing Codes of Conduct

Professional accountants in business worldwide will get added assistance from the International Federation of Accountants (IFAC) in the form of new international principles-based good practice guidance. A newly released exposure draft (ED), *Preface to IFAC's International Management Accounting Statements and International Good Practice Guidance*, developed by IFAC's Professional Accountants in Business (PAIB) Committee, sets out the objective, scope and due process of two new types of guidance: International Management Accounting Statements and International Good Practice Guidance. The PAIB Committee seeks input on the approach to representing good practice to professional accountants in business and the proposed document types.

Together with the draft Preface, the PAIB Committee has released new guidance on developing codes of conduct and has issued an exposure draft of the first International Management Accounting Statement.

International Management Accounting Statements and International Good Practice Guidance establish fundamental principles and provide supporting application guidance to reflect good practice. In addition, the new guidance signposts other sources of information, such as those developed by national professional accountancy bodies. The guidance documents may also serve as a leadership tool that professional accountants can use.

"The release of the proposed Preface represents the start of a significant work programme for the committee," says Edward Chow, Chair of the PAIB Committee. "The new pronouncements will contribute to better decisions in organisations and enhance the level of support to and competence within the global community of professional accountants in business. I encourage professional accountants in business to use these pro-

nouncements to promote good practices in the organisations in which they work."

## New Guidance on Developing Codes of Conduct

The PAIB Committee has released the first International Good Practice Guidance, *Defining and Developing an Effective Code of Conduct for Organisations*. This guidance will assist professional accountants and their organisations in developing and implementing a code of conduct within a values-based culture. It can be downloaded free-of-charge from the IFAC online bookstore at [www.ifac.org/store](http://www.ifac.org/store). The PAIB Committee welcomes further feedback on this document during the exposure period for the Preface.

## Exposure Draft (ED) on Project Appraisal Using Discounted Cash Flow

In addition to the above, the PAIB Committee has also issued an ED of a proposed International Management Accounting Statement, entitled *Project Appraisal Using Discounted Cash Flow*. The proposed International Management Accounting Statement aims to support professional accountants in business in applying and promoting the use of discounted cash flow and net present value to evaluate investments. It sets an international benchmark for using discounted cash flow in project appraisal and provides principles that reflect widely accepted good practice, supported by guidance to facilitate their application. The ED asks for feedback on both the content and approach.

## Looking Ahead

Over the next year, the PAIB Committee plans to develop proposed principles-based pronouncements on internal control from a risk management perspective, using cost information effectively, and enterprise governance. The PAIB Committee is also using the proposed International Management Accounting Statement on *Project Appraisal Using Discounted Cash Flow* to solicit feedback on future topic selections to support this document. **AT**

Comments on the proposed Preface and proposed International Management Accounting Statement are requested by 12 September 2007. The EDs may be viewed by going to [www.ifac.org/EDs](http://www.ifac.org/EDs). Comments may be submitted by e-mail to [EDComments@ifac.org](mailto:EDComments@ifac.org). They may also be faxed to the attention of the PAIB Committee Technical Manager at +1-212-286-9570 or mailed to PAIB Committee Technical Manager at 545 Fifth Avenue, 14th Floor, New York, NY 10017, USA. All comments will be considered a matter of public record and will ultimately be posted on the IFAC website.

## IFAC Seeks Technical Manager to Support Auditing and Ethics Standards Boards

The International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA), both standard-setting bodies within the International Federation of Accountants (IFAC), seek to fill a key technical manager position. The technical manager will devote approximately 50 per cent of his/her time to the activities of each of the boards, which are made up of volunteer members from around the world.

The technical manager's key responsibilities will include conducting project research; interacting with standard setters, IFAC members and associates around the world; and developing, editing and overseeing publication of IAASB and IESBA exposure drafts, standards and guidance. Other responsibilities include:

- Drafting project proposals and presenting them to the IAASB/IESBA and, as appropriate, to task forces;
- Attending IAASB/IESBA meetings as well as task force meetings, participating in discussions and recording discussions and decisions;
- Preparing IAASB/IESBA meeting agendas and papers and developing articles and speeches; and
- Assisting the Chairman and Executive Director, Professional Standards, in responding to technical and process issues raised by the IAASB Consultative Advisory Group, IESBA Consultative Advisory Group, and the Public Interest Oversight Board.

The ideal candidate for this position should have a professionally recognised accounting degree or other relevant qualification. An excellent knowledge of issues relating to auditing and ethics, and experience in the standard-setting process is a plus, as is an understanding of the special considerations relating to the audit of multinational entities, small and medium enterprises or public sector en-

ties.

It is anticipated that the successful applicant will work at IFAC's headquarters in New York City. (About 25 days to 35 days per year of international travel are required.)

A complete job description, including additional information concerning preferred background and experience, is available on the IFAC website at [www.ifac.org/JobsAtIFAC](http://www.ifac.org/JobsAtIFAC). Interested candidates should submit their résumé (CV) by 31 July 2007 to Dawn Tishkoff, IFAC Human Resources Manager ([jobs@ifac.org](mailto:jobs@ifac.org)). **AT**

## Audit Firms

FROM 1-31 MAY 2007

### New Registration

AUDIT FIRM	AF NO.
SELANGOR DARUL EHSAN	

<b>Param &amp; Co</b>	<b>001906</b>
39B, Persiaran Pegaga Taman Bayu Perdana 41200 Klang Tel: 03-3323 9525 Fax: 03-3323 9525 e-mail: <a href="mailto:param_co@tm.net.my">param_co@tm.net.my</a>	

WILAYAH PERSEKUTUAN	
<b>Jayasangar &amp; Co</b>	<b>001907</b>
51M, Jalan Thambypillai Brickfields 50470 Kuala Lumpur Tel: 03-2272 2550 Fax: 03-2272 2551 e-mail: <a href="mailto:jayasangarandco@gmail.com">jayasangarandco@gmail.com</a>	

<b>K L Song &amp; Associates</b>	<b>001898</b>
No. 80A, Jalan Hang Kasturi 50050 Kuala Lumpur Tel: 03-2072 8507 Fax: 03-2072 1933	

### Ceased Operation

JOHOR DARUL TAKZIM	
<b>Yeoh Eng Chong &amp; Co.</b>	<b>0066</b>
140 1st Flr, Suite A Jalan Tun Abdul Razak 80000 Johor Bahru	

<b>Peri &amp; Co</b>	<b>0522</b>
Unit C-12-4, Level 12, Block C Megan Avenue II 12 Jln Yap Kwan Seng 50450 Kuala Lumpur	

WILAYAH PERSEKUTUAN	
<b>Peri &amp; Co</b>	<b>0522</b>
Unit C-12-4, Level 12, Block C Megan Avenue II 12 Jln Yap Kwan Seng 50450 Kuala Lumpur	

## Non-Audit Firms

FROM 1-31 MAY 2007

### New Registration

NON-AUDIT FIRM	NF NO.
PERAK DARUL RIDZUAN	

<b>M.A. Tax Consultants</b>	<b>0888</b>
No. 55, First Floor Barrack Road 34000 Taiping Tel: 05-805 4340 Fax: 05-805 4340 e-mail: <a href="mailto:m_a_tax_tpg@hotmail.com">m_a_tax_tpg@hotmail.com</a>	

PULAU PINANG	
<b>Yeow Hoong Tax Services</b>	<b>0890</b>
c/o 18 Jalan Barrack 10450 Georgetown Tel: 04-229 7269 Fax:	

<b>C K Ma &amp; Co</b>	<b>0886</b>
Lot 2147, 1st Floor Jalan Bulatan Piasau Industrial Area 98000 Miri Tel: 016-884 7863 Fax: 086-660 899 e-mail: <a href="mailto:mck1368@gmail.com">mck1368@gmail.com</a>	

SARAWAK	
<b>Kana &amp; Associates</b>	<b>0889</b>
1.31, 1st Floor Wilayah Complex Jalan Dang Wangi 50100 Kuala Lumpur Tel: 03-2721 2286 Fax: 03-2721 2286 e-mail: <a href="mailto:kanapathykarupiah@yahoo.co.uk">kanapathykarupiah@yahoo.co.uk</a>	

<b>PY Lee &amp; Co.</b>	<b>0887</b>
Suite 6-1B, First Floor No. 6, Jln 9/23E Tmn Danau Kota Off Jln Genting Klang Setapak 53300 Kuala Lumpur Tel: 03-4142 4801 Fax: 03-4149 7633 e-mail: <a href="mailto:leepei14@yahoo.com">leepei14@yahoo.com</a>	

WILAYAH PERSEKUTUAN	
<b>Kana &amp; Associates</b>	<b>0889</b>
1.31, 1st Floor Wilayah Complex Jalan Dang Wangi 50100 Kuala Lumpur Tel: 03-2721 2286 Fax: 03-2721 2286 e-mail: <a href="mailto:kanapathykarupiah@yahoo.co.uk">kanapathykarupiah@yahoo.co.uk</a>	

<b>PY Lee &amp; Co.</b>	<b>0887</b>
Suite 6-1B, First Floor No. 6, Jln 9/23E Tmn Danau Kota Off Jln Genting Klang Setapak 53300 Kuala Lumpur Tel: 03-4142 4801 Fax: 03-4149 7633 e-mail: <a href="mailto:leepei14@yahoo.com">leepei14@yahoo.com</a>	

<b>Fatimah Hashim &amp; Associates</b>	<b>0464</b>
35, Jln Pulau Perdana 2/2 Taman Sri Pulau Perdana 81110 Johor Bahru	

### Ceased Operation

JOHOR DARUL TAKZIM	
<b>Fatimah Hashim &amp; Associates</b>	<b>0464</b>
35, Jln Pulau Perdana 2/2 Taman Sri Pulau Perdana 81110 Johor Bahru	

<b>Ng Say Jin &amp; Partners</b>	<b>0749</b>
No. 31, Jalan Abdul Karim 33 Taman Abd Karim 4 Off Jalan Sg Jati 41200 Klang	

SELANGOR DARUL EHSAN	
<b>Ng Say Jin &amp; Partners</b>	<b>0749</b>
No. 31, Jalan Abdul Karim 33 Taman Abd Karim 4 Off Jalan Sg Jati 41200 Klang	

<b>Ng Say Jin &amp; Partners</b>	<b>0749</b>
No. 31, Jalan Abdul Karim 33 Taman Abd Karim 4 Off Jalan Sg Jati 41200 Klang	

# ... Counting on Humour

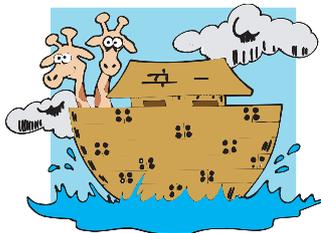
## Leadership vs. Management

When Noah heard the weather forecast he ordered the building of the ark. — that was Leadership

Then he looked around and said, "Make sure the elephants don't see what the rabbits are up to." — that was Management

## Determined

*"We are going to continue having these meetings, everyday, until I find out why no work is getting done".*



## MBA Exam Questions through the Ages



**1950** — A logger sells a truckload of lumber for \$100. His cost of production is 4/5 of the price. What is his profit?

**1960** — A logger sells a truckload of lumber for \$100. His cost of production is 4/5 of the price,

which makes the cost \$80. What is his profit?

**1970** — A logger exchanges a set "L" of lumber for a set "M" of money. The cardinality of set "M" is 100. Each element is worth one dollar. Make 100 dots representing the elements of the set "M". The set "C", the cost of production, contains 20 fewer points than set "M". Represent the set "C" as a subset of set "M" and answer the following question: What is the cardinality of the set "P" for profits?

**1980** — A logger sells a truckload of lumber for \$100. Her cost of production is \$80 and her profit is \$20. Your assignment: Underline the number 20.

**1990** — By cutting down beautiful forest trees, the logger makes \$20. What do you think of this way of making a living? Topic for class participation after answering the question: How did the forest birds and squirrels feel as the logger cut down the trees? There are no wrong answers.

**1995** — By laying off 40% of its loggers, a company improves its stock price from \$80 to \$100. How much capital gain per share does the CEO make by exercising his stock options at \$80? Assume capital gains are no longer taxed, because this encourages investment.

**2000** — A company outsources all of its loggers. The firm saves on benefits, and when demand for its product is down, the logging workforce can easily be cut back. The average logger employed by the company earned \$50,000, had three weeks vacation, a nice retirement plan, and medical insurance. The contracted logger charges \$50 an hour. Was outsourcing a good move?

**2004** — Explain how the relationship between the ethical responsibility of the logging businesses and that of their individual and collective members ultimately rides on theories of moral agency. Under what circumstances could lumbering wood be regarded as corporate social responsible behaviour? **AT**

## Business Strategy

However beautiful the strategy, you should occasionally look at the results.

*Sir Winston Churchill 1874-1965, English statesman*

## Everything you need to know about the Corporate World

- Indecision is the key to flexibility.
- You can't tell which way the train went by looking at the track.
- There is absolutely no substitute for a genuine lack of preparation.
- Happiness is merely the remission of pain.
- Nostalgia isn't what it used to be.
- Sometimes too much to drink is not enough.
- The facts, although interesting, are irrelevant.
- The careful application of terror is also a form of communication.
- Someone who thinks logically is a nice contrast to the real world.
- Things are more like they are today than they ever were before.
- Anything worth fighting for is worth fighting dirty for.
- Everything should be made as simple as possible, but no simpler.
- Friends may come and go, but enemies accumulate.
- I have seen the truth and it makes no sense.
- Suicide is the most sincere form of self-criticism.
- If you think there is good in everybody, you haven't met everybody.
- All things being equal, fat people use more soap.
- If you can smile when things go wrong, you have someone in mind to blame.
- One seventh of your life is spent on Monday.
- Every time you make ends meet, they move the ends.
- Not one shred of evidence supports the notion that life is serious.
- The more you run over a dead cat, the flatter it gets.
- There is always one more imbecile than you counted on.
- This is as bad as it can get, but don't count on it.
- Never wrestle a pig. You both get dirty and the pig likes it.
- The trouble with life is, you're halfway through it before you realise.

# Calendar of Professional Education Programmes

TOWN	DATE	PLEASE TICK ✓	TITLE	VENUE	CPE HOURS
Kuala Lumpur and Selangor	9-10 July	<input type="checkbox"/>	Practical Auditing	Melia KL	16
	11 July	<input type="checkbox"/>	Implementing Activity Based Costing and Activity Based Management	Crystal Crown Hotel PJ	8
	17-18 July	<input type="checkbox"/>	E-mail and Business Letter Writing Skills	Hilton PJ	16
	17-18 July	<input type="checkbox"/>	Financial Reporting Standards in Malaysia — Salient Features	Hilton PJ	16
	19 July	<input type="checkbox"/>	Young CPA Malaysia Symposium 2007	Golden Chersonese Media Hall, Maju Junction Mall	8
	19 July	<input type="checkbox"/>	Winding Up to Resolve Shareholders' Dispute	Hilton PJ	8
	23-24 July	<input type="checkbox"/>	Speed Reading for Professionals	Crystal Crown Hotel PJ	16
	26-27 July	<input type="checkbox"/>	Financial Instruments (FRS 132 and 139)	Concorde KL	16
	30-31 July	<input type="checkbox"/>	Financial Reporting Standards in Malaysia — Salient Features	Concorde KL	16
	1-2 Aug	<input type="checkbox"/>	Corporate Image for a Competitive Edge	Hilton PJ	16
	2-3 Aug	<input type="checkbox"/>	Advanced Corporate Tax Planning	Hilton PJ	16
	6-7 Aug	<input type="checkbox"/>	Enhancing Corporate Profitability Through Effective Costing Techniques and Practices	Concorde KL	16
	8-9 Aug	<input type="checkbox"/>	Report Writing Skills	Hilton PJ	16
	9 Aug	<input type="checkbox"/>	Financing Corporate Growth — Tax Considerations	Concorde KL	8
	10 Aug	<input type="checkbox"/>	Tax Incentives and Double Deductions	Concorde KL	8
	<b>13 Aug</b>	<input type="checkbox"/>	<b>Public Sector Conference — Towards An Accountable, Responsive and Innovative Financial Management</b>	<b>Nikko Hotel KL</b>	<b>8</b>
	13 Aug	<input type="checkbox"/>	Audit Documentation	Melia KL	8
	13-14 Aug	<input type="checkbox"/>	Deferred Taxation	Concorde KL	16
	14-15 Aug	<input type="checkbox"/>	Understand How Banks Manage Corporate Insolvency	Parkroyal KL	16
	15 Aug	<input type="checkbox"/>	Understanding the Fundamentals of Deferred Taxation	Concorde KL	8
	16 Aug	<input type="checkbox"/>	Evening Talk on Understanding Financial Derivatives — Stock Options	Securities Commission KL	2
	20-21 Aug	<input type="checkbox"/>	Finance for Non-Finance Managers and Executives	Parkroyal KL	16
	23-24 Aug	<input type="checkbox"/>	Successful Project Management for Accountants	Hilton PJ	16
	3-4 Sept	<input type="checkbox"/>	Deferred Taxation	Armada Hotel	16
	3-4 Sept	<input type="checkbox"/>	Debt Recovery: An Understanding of Litigation, Enforcement and Winding Up Procedures	Concorde KL	16
	5-7 Sept	<input type="checkbox"/>	Practical Accounting	Melia KL	0
	13 Sept	<input type="checkbox"/>	Auditors' Report	Melia KL	8
	24-25 Sept	<input type="checkbox"/>	Practical Application of Malaysian Private Entities Reporting Standards (PERS)	Crystal Crown Hotel PJ	16
	<b>12-13 Nov</b>	<input type="checkbox"/>	<b>National Accountants Conference 2007</b>	<b>KL Convention Centre</b>	<b>16</b>
	Penang	23-24 July	<input type="checkbox"/>	Improving Budgeting Process	Traders Hotel
21-23 Aug		<input type="checkbox"/>	Practical Accounting	Bayview Hotel Georgetown	0
27 Aug		<input type="checkbox"/>	Public and Advance Rulings by IRB	Evergreen Laurel Hotel	8
20-21 Sept		<input type="checkbox"/>	Implementing Business Plan Strategies	Traders Hotel	16
Johor Bahru	3 July	<input type="checkbox"/>	Financing Corporate Growth — Tax Considerations	The Puteri Pacific JB	8
	4 July	<input type="checkbox"/>	Tax Incentives and Double Deductions	The Puteri Pacific JB	8
	12-13 July	<input type="checkbox"/>	Implementing Business Plan Strategies	Mutiara Hotel	16
	16 July	<input type="checkbox"/>	Understanding the Fundamentals of Deferred Taxation	The Puteri Pacific JB	8
	18 July	<input type="checkbox"/>	Construction Contracts (FRS 111), Property Development Activities (FRS 201) and Borrowing Costs (FRS 123)	Mutiara Hotel	8
	19-20 July	<input type="checkbox"/>	Practical Application of Malaysian Private Entities Reporting Standards (PERS)	Mutiara Hotel	16
	24-25 July	<input type="checkbox"/>	Financial Reporting Standards in Malaysia — Salient Features	The Puteri Pacific JB	16
	7-8 Aug	<input type="checkbox"/>	Financial Instruments (FRS 132 and 139)	The Puteri Pacific JB	16
	13 Aug	<input type="checkbox"/>	Public and Advance Rulings by IRB	Mutiara Hotel	8
	20-21 Aug	<input type="checkbox"/>	Practical Auditing	Hyatt Regency JB	16
	<b>10-11 Sept</b>	<input type="checkbox"/>	<b>Regional Conference 2007 Johor Bahru</b>	<b>Persada International Convention Centre</b>	<b>16</b>
	24 Sept	<input type="checkbox"/>	Audit Documentation	Mutiara Hotel	8
26-27 Sept	<input type="checkbox"/>	Corporate Image for a Competitive Edge	Hyatt Regency JB	16	
Kuantan	20 Aug	<input type="checkbox"/>	Public and Advance Rulings by IRB	Vistana Hotel Kuantan	8
Kuching	2-3 July	<input type="checkbox"/>	Advanced Corporate Tax Planning	Hilton Kuching	16
	6-7 Sept	<input type="checkbox"/>	Improving Budgeting Process Strategies	Holiday Inn Kuching	16
	12-13 Sept	<input type="checkbox"/>	Financial Reporting Standards in Malaysia - Salient Features	Merdeka Palace Hotel	16
	26 Sept	<input type="checkbox"/>	Financing Corporate Growth - Tax Considerations	Holiday Inn Kuching	8
	27 Sept	<input type="checkbox"/>	Tax Incentives and Double Deductions	Holiday Inn Kuching	8
Kota Kinabalu	5-6 July	<input type="checkbox"/>	Advanced Corporate Tax Planning	Shangri-La Tanjung Aru	16
	3-4 Sept	<input type="checkbox"/>	Improving Budgeting Process Strategies	Shangri-La Tanjung Aru	16
	10-11 Sept	<input type="checkbox"/>	Financial Reporting Standards in Malaysia — Salient Features	Hyatt Regency Kinabalu	16
	24 Sept	<input type="checkbox"/>	Financing Corporate Growth — Tax Considerations	Shangri-La Tanjung Aru	8
	25 Sept	<input type="checkbox"/>	Tax Incentives and Double Deductions	Shangri-La Tanjung Aru	8

# Calendar of Professional Education Programmes

TOWN	DATE	PLEASE TICK ✓	TITLE	VENUE	CPE HOURS
<b>MAICSA COURSES</b>					
<b>Kuala Lumpur</b>	30 July	<input type="checkbox"/>	Meeting the Pre and Post Listing Requirements of Bursa Malaysia Securities Bhd	Boulevard Hotel KL	6
	13 Aug	<input type="checkbox"/>	Transactions by Directors	MAICSA	3
	10 Sept	<input type="checkbox"/>	Duties, Responsibilities and Obligations of Newly Appointed PLC Directors	MAICSA	3
	21-22 Sept	<input type="checkbox"/>	Substantial Shareholders and Principal Officers	MAICSA	12
<b>Penang</b>	14 Sept	<input type="checkbox"/>	A Practical Guide on How to Deal with Bursa Malaysia Securities Bhd on Inquiries and Investigations	Traders Hotel Penang	6
<b>MCSB COURSES</b>					
<b>Kuala Lumpur</b>	2-3 July	<input type="checkbox"/>	Microsoft Words 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	16-17 July	<input type="checkbox"/>	Microsoft Words 2000 (Advanced)	MCSB, Kuala Lumpur	16
	4-5 July	<input type="checkbox"/>	Microsoft Excel 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	18-19 July	<input type="checkbox"/>	Microsoft Excel 2000 (Advanced)	MCSB, Kuala Lumpur	16
	6 July	<input type="checkbox"/>	Microsoft PowerPoint 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	8
	20 July	<input type="checkbox"/>	Microsoft PowerPoint 2000 (Advanced)	MCSB, Kuala Lumpur	8
	9-10 July	<input type="checkbox"/>	Microsoft Access 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	23-25 July	<input type="checkbox"/>	Microsoft Access 2000 (Advanced)	MCSB, Kuala Lumpur	24
	12-13 July	<input type="checkbox"/>	Microsoft Project 2000 (Basic/Intermediate)	MCSB, Kuala Lumpur	16
	26-27 July	<input type="checkbox"/>	Designing Web Pages with MS FrontPage	MCSB, Kuala Lumpur	16
	6-7 Aug	<input type="checkbox"/>	Microsoft Words 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	20-21 Aug	<input type="checkbox"/>	Microsoft Words 2000 (Advanced)	MCSB, Kuala Lumpur	16
	8-9 Aug	<input type="checkbox"/>	Microsoft Excel 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	22-23 Aug	<input type="checkbox"/>	Microsoft Excel 2000 (Advanced)	MCSB, Kuala Lumpur	16
	10 Aug	<input type="checkbox"/>	Microsoft PowerPoint 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	8
	24 Aug	<input type="checkbox"/>	Microsoft PowerPoint 2000 (Advanced)	MCSB, Kuala Lumpur	8
	13-14 Aug	<input type="checkbox"/>	Microsoft Access 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	27-29 Aug	<input type="checkbox"/>	Microsoft Access 2000 (Advanced)	MCSB, Kuala Lumpur	24
	3 Aug	<input type="checkbox"/>	Introduction to Networking	MCSB, Kuala Lumpur	8
	3 Aug	<input type="checkbox"/>	Introduction to Internet	MCSB, Kuala Lumpur	8
	16-17 Aug	<input type="checkbox"/>	Microsoft Project 2000 (Basic/Intermediate)	MCSB, Kuala Lumpur	16
	6-7 Aug	<input type="checkbox"/>	Microsoft Words 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	20-21 Aug	<input type="checkbox"/>	Microsoft Words 2000 (Advanced)	MCSB, Kuala Lumpur	16
	8-9 Aug	<input type="checkbox"/>	Microsoft Excel 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	22-23 Aug	<input type="checkbox"/>	Microsoft Excel 2000 (Advanced)	MCSB, Kuala Lumpur	16
	10 Aug	<input type="checkbox"/>	Microsoft PowerPoint 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	8
	24 Aug	<input type="checkbox"/>	Microsoft PowerPoint 2000 (Advanced)	MCSB, Kuala Lumpur	8
	13-14 Aug	<input type="checkbox"/>	Microsoft Access 2000 (Basic & Intermediate)	MCSB, Kuala Lumpur	16
	27-29 Aug	<input type="checkbox"/>	Microsoft Access 2000 (Advanced)	MCSB, Kuala Lumpur	24
	3 Aug	<input type="checkbox"/>	Introduction to Networking	MCSB, Kuala Lumpur	8
3 Aug	<input type="checkbox"/>	Introduction to Internet	MCSB, Kuala Lumpur	8	
16-17 Aug	<input type="checkbox"/>	Microsoft Project 2000 (Basic/Intermediate)	MCSB, Kuala Lumpur	16	
<b>PENTAWISE COURSES</b>					
<b>Kuala Lumpur</b>	10-11 July	<input type="checkbox"/>	Tasks Automation using MS Excel Macro/VBA	PentaWise Sdn Bhd, Midvalley City, KL	16
	12-13 July	<input type="checkbox"/>	Microsoft Excel Functions and Formulas	PentaWise Sdn Bhd, Midvalley City, KL	16
	24 July	<input type="checkbox"/>	Analysing Financial Data with Microsoft Excel	PentaWise Sdn Bhd, Midvalley City, KL	8
	25 July	<input type="checkbox"/>	Expanding Microsoft Excel Charts	PentaWise Sdn Bhd, Midvalley City, KL	8
	14-15 Aug	<input type="checkbox"/>	Tasks Automation using MS Excel Macro/VBA	PentaWise Sdn Bhd, Midvalley City, KL	16
	16-17 Aug	<input type="checkbox"/>	Microsoft Excel Functions and Formulas	PentaWise Sdn Bhd, Midvalley City, KL	16
	28 Aug	<input type="checkbox"/>	Analysing Financial Data with Microsoft Excel	PentaWise Sdn Bhd, Midvalley City, KL	8
	29 Aug	<input type="checkbox"/>	Expanding Microsoft Excel Charts	PentaWise Sdn Bhd, Midvalley City, KL	8

Yes! I would like to know more about the programmes ticked above.  
Please send the information to:

Contact Person: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_



FOR FURTHER INFORMATION PLEASE MAIL, FAX OR E-MAIL TO:

**Malaysian Institute of Accountants**

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**e-mail: [cpe@mia.org.my](mailto:cpe@mia.org.my)**

**Homepage: [www.mia.org.my](http://www.mia.org.my)**