

March 2, 2009

Circular No: Stu/02/03/09

To: ALL REGISTERED STUDENTS

**MICPA EXAMINATION**  
**ACCOUNTING AND AUDITING STANDARDS**

The Institute's Examination Regulations and Syllabus state that:

- (a) Questions involving knowledge of accounting and auditing should be answered in accordance with the requirements of approved accounting standards, approved auditing standards/guidelines and the relevant legislation;
- (b) Questions involving knowledge of new approved accounting standards, approved auditing standards/guidelines and exposure drafts will not be set until at least 6 months have elapsed since the last day of the month in which the statement became effective or was published.

The list of accounting standards, auditing standards and other technical pronouncements, which are currently examinable in the Institute's examination, are set out below.

**I. Approved Accounting Standards**

The Companies Act 1965 requires that approved accounting standards are to be applied to the financial statements of all companies. Approved accounting standards are issued by the Malaysian Accounting Standards Board (MASB), which is established under the Financial Reporting Act 1997.

For the purposes of the MICPA examination, the following accounting pronouncements are examinable:

- (i) MASB approved accounting standards and other pronouncements issued by MASB;
- (ii) Malaysian Accounting Standards (MAS) issued by MICPA, which have not been replaced by MASB approved accounting standards;
- (iii) Technical Bulletins (TB) issued by MICPA, which are to be regarded as the best current practice in the area in question.

The MASB has issued two set of accounting standards as follows:

(a) Financial Reporting Standards (FRS)

These standards are mandatory for all entities other than private entities. Public listed companies, their subsidiaries, associates, or companies jointly controlled by them are required to comply with FRS in the preparation of their financial statements.

(b) Private Entity Reporting Standards (PERS)

These standards are applicable to private entities. A private entity is a private company incorporated under the Companies Act, 1965 that:

- is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- is not a subsidiary or associate of, or jointly controlled by, an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.

Essentially, PERS are MASB Standards issued by the MASB prior to January 1, 2005.

The MASB also issued Technical Releases and Statement of Principles.

The list of approved accounting standards and other pronouncements examinable in the May 2009 examination are set out in Annexure I.

## II. **Approved Auditing Standards**

For the purposes of the MICPA examination, the following pronouncements on quality control, auditing, review, other assurance and related services issued by MICPA are examinable:

- (i) International Standards on Quality Control (ISQC)
- (ii) International Standards on Auditing (ISA)
- (iii) International Standards on Review Engagements (ISRE)
- (iv) International Standards on Assurance Engagements (ISAE)
- (v) International Standards on Related Services (ISRS)
- (vi) International Auditing Practice Statements (IAPS), which provide interpretive guidance and practice assistance in the application of the ISAs;
- (vii) MICPA Auditing Technical Releases (ATR), which are to be regarded as the best current practice in the area in question.

Each International Standard on Quality Control, Auditing, Review, Other Assurance and Related Services contains an explanatory Foreword from the Council on the status and application of the Standard, and notes and exceptions where applicable. The Council has also set out in the examples of auditor's reports which comply with the requirements of the Companies Act 1965 as well as ISA 700 (Revised) in Auditing Technical Release (ATR) 7.

The list of approved auditing standards and other pronouncements examinable in the May 2009 examination are set out in Annexure II.

### **III. Exposure Drafts and Current Developments**

Students at the Advanced Stage Examination level are expected to have a detailed knowledge of exposure drafts of proposed accounting standards issued by the MASB and auditing standards by MICPA, where more than 6 months have elapsed since the last day of the month in which the exposure drafts were issued.

Students at this level are also expected to be able to discuss and evaluate current issues on accounting, financial reporting and auditing arising in Malaysia and internationally.

FOO YOKE PIN (Mr)  
Secretary

**THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
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**EXAMINABLE ACCOUNTING STANDARDS AND GUIDELINES**

		<b>PSE</b>		<b>ASE</b>
		<i>Module A</i>	<i>Module B</i>	
<b>A1</b>	<b>MASB Standards</b>			
FRS 1	First-time Adoption of Financial Reporting Standards	-	-	✓
FRS 2	Share-based Payment	-	-	✓
FRS 3	Business Combinations	-	✓	✓
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	-	✓	✓
FRS 6	Exploration for and Evaluation of Mineral Resources	-	-	✓
FRS 101	Presentation of Financial Statements	✓	✓	✓
FRS 102	Inventories	✓	✓	✓
FRS 107	Cash Flow Statements	✓	✓	✓
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	✓	✓	✓
FRS 110	Events after the Balance Sheet Date	-	✓	✓
FRS 111	Construction Contracts	-	✓	✓
FRS 112	Income Taxes	-	✓	✓
FRS 114 <sub>2004</sub>	Segment Reporting	-	✓	✓
FRS 116	Property, Plant & Equipment	✓	✓	✓
FRS 117	Leases	-	✓	✓
FRS 118	Revenue	✓	✓	✓
FRS 119	Employee Benefits	-	✓	✓
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	-	✓	✓

		<b>PSE</b>		<b>ASE</b>
		<i>Module A</i>	<i>Module B</i>	
<b>A1</b>	<b>MASB Standards (Cont.)</b>			
FRS 121	The Effect of Changes in Foreign Exchange Rates	-	✓	✓
	Amendment to Financial Reporting Standard FRS 121 The Effects of Changes in Foreign Exchange Rates – <i>Net Investment in a Foreign Operation</i>	-	✓	✓
FRS 123 <sub>2004</sub>	Borrowing Costs	-	✓	✓
FRS 124	Related Party Disclosures	-	✓	✓
FRS 126	Accounting and Reporting by Retirement Benefit Plans	-	-	✓
FRS 127	Consolidated and Separate Financial Statements	-	✓	✓
FRS 128	Investments in Associates	-	✓	✓
FRS 131	Interests in Joint Ventures	-	✓	✓
FRS 132	Financial Instruments : Disclosure and Presentation	-	✓	✓
FRS 133	Earnings Per Share	-	✓	✓
FRS 134	Interim Financial Reporting	-	-	✓
FRS 136	Impairment of Assets	✓	✓	✓
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	-	✓	✓
FRS 138	Intangible Assets	-	✓	✓
FRS 139	Financial Instruments: Recognition and Measurement	-	-	✓
FRS 140	Investment Property	-	✓	✓
FRS 201 <sub>2004</sub>	Property Development Activities	-	✓	✓
FRS 202 <sub>2004</sub>	General Insurance Business	-	-	✓
FRS 203 <sub>2004</sub>	Life Insurance Business	-	-	✓
FRS 204 <sub>2004</sub>	Accounting for Aquaculture	-	-	✓

		<b>PSE</b>		<b>ASE</b>
		<b>Module A</b>	<b>Module B</b>	
<b>A2</b>	<b>Private Entity Reporting Standards</b>			
MASB 1	Presentation of Financial Statements	✓	✓	✓
MASB 2	Inventories	✓	✓	✓
MASB 3	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies	✓	✓	✓
MASB 4	Research and Development Costs	✓	✓	✓
MASB 5	Cash Flow Statements	✓	✓	✓
MASB 6	The Effects of Changes in Foreign Exchange Rates	-	✓	✓
MASB 7	Construction Contracts	-	✓	✓
MASB 9	Revenue	✓	✓	✓
MASB 10	Leases	-	✓	✓
MASB 11	Consolidated Financial Statements and Investments in Subsidiaries	-	✓	✓
MASB 12	Investments in Associates	-	✓	✓
MASB 14	Depreciation Accounting	✓	✓	✓
MASB 15	Property, Plant & Equipment	✓	✓	✓
MASB 16	Financial Reporting of Interests in Joint Ventures	-	✓	✓
MASB 19	Events after the Balance Sheet Date	-	✓	✓
MASB 20	Provisions, Contingent Liabilities and Contingent Assets	-	✓	✓
MASB 23	Impairment of Assets	✓	✓	✓
MASB 25	Income Taxes	-	✓	✓
MASB 27	Borrowing Costs	-	✓	✓
MASB 28	Discontinuing Operations	-	✓	✓

		<b>PSE</b>		<b>ASE</b>
		<i>Module A</i>	<i>Module B</i>	
<b>A2 Private Entity Reporting Standards (Cont.)</b>				
MASB 29	Employee Benefits	-	✓	✓
MASB 30	Accounting and Reporting by Retirement Benefit Plans	-	-	✓
MASB 31	Accounting for Government Grants and Disclosure of Government Assistance	-	✓	✓
MASB 32	Property Development Activities	-	✓	✓
MAS 5	Accounting for Aquaculture	-	-	✓
<b>A3 MASB Technical Releases</b>				
TR 1 (revised)	Share Buybacks - Accounting and Disclosures	-	✓	✓
<b>A4 MASB Statements of Principles</b>				
SOP 1	Exempt Enterprises	-	✓	✓
<b>B International Accounting Standards</b>				
IAS 25	Accounting for Investments	✓	✓	✓
<b>C Malaysian Accounting Standards</b>				
MAS 8	Accounting for Pre-cropping Costs	-	✓	✓
<b>D MICPA Technical Bulletins</b>				
TB 8	Accounting for Profit Guarantee and other Contingencies in Business Acquisitions	-	✓	✓

<b>E</b>	<b>MASB IC Interpretations</b>	<b>PSE</b>		<b>ASE</b>
		<b>Module A</b>	<b>Module B</b>	
IC Interpretation 107	Introduction of the Euro	-	✓	✓
IC Interpretation 110	Government Assistance – No Specific Relation to Operating Activities	-	✓	✓
IC Interpretation 112	Consolidation – Special Purpose Entities	✓	✓	✓
IC Interpretation 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers	✓	✓	✓
IC Interpretation 115	Operating Leases – Incentives	-	✓	✓
IC Interpretation 121	Income Taxes – Recovery of Revalued Non-Depreciable Assets	✓	✓	✓
IC Interpretation 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	-	✓	✓
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓	✓	✓
IC Interpretation 129	Disclosure – Service Concession Arrangements	✓	✓	✓
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services	✓	✓	✓
IC Interpretation 132	Intangible Assets – Web Site Costs	✓	✓	✓
IC Interpretation 201	Preliminary and Pre-operating Expenditure	✓	✓	✓
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓	✓	✓
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	-	-	✓
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	-	✓	✓
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	✓	✓	✓
IC Interpretation 8	Scope of FRS 2	-	-	✓

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**EXAMINABLE AUDITING STANDARDS AND GUIDELINES**

		<i>PSE</i>	<i>ASE</i>
<b>A    <i>International Standards on Quality Control</i></b>			
ISQC 1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements	✓	✓
		<b><i>PSE</i></b>	<b><i>ASE</i></b>
<b>B    <i>International Standards on Auditing</i></b>			
ISA 200	Objective and General Principles Governing an Audit of Financial Statements	✓	✓
ISA 210	Terms of Audit Engagements	✓	✓
ISA 220 (Revised)	Quality Control for Audits of Historical Financial Information	✓	✓
ISA 230 (Revised)	Audit Documentation	✓	✓
ISA 240	The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements	✓	✓
ISA 250	Consideration of Laws and Regulations in an Audit of Financial Statements	✓	✓
ISA 260	Communication of Audit Matters with Those Charged with Governance	✓	✓
ISA 300 (Revised)	Planning an Audit of Financial Statements	✓	✓
ISA 315	Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement	✓	✓
ISA 320	Audit Materiality	✓	✓
ISA 330	The Auditor's Procedures in Response to Assessed Risks	✓	✓

		<b>PSE</b>	<b>ASE</b>
<b>B</b>	<b><i>International Standards on Auditing (Cont.)</i></b>		
ISA 402	Audit Considerations Relating to Entities Using Service Organisations	✓	✓
ISA 500	Audit Evidence	✓	✓
ISA 501	Audit Evidence - Additional Considerations for Specific Items	✓	✓
ISA 505	External Confirmations	✓	✓
ISA 510	Initial Engagements - Opening Balances	✓	✓
ISA 520	Analytical Procedures	✓	✓
ISA 530	Audit Sampling and Other Means of Testing	✓	✓
ISA 540	Audit of Accounting Estimates	✓	✓
ISA 545	Auditing Fair Value Measurements and Disclosures	-	✓
ISA 550	Related Parties	✓	✓
ISA 560	Subsequent Events	✓	✓
ISA 570	Going Concern	✓	✓
ISA 580	Management Representations	✓	✓
ISA 600	Using the Work of Another Auditor	✓	✓
ISA 610	Considering the Work of Internal Auditing	✓	✓
ISA 620	Using the Work of an Expert	✓	✓
ISA 700 (Revised)	The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements	✓	✓
ISA 701	Modifications to the Independent Auditor's Report	✓	✓
ISA 710	Comparatives	✓	✓
ISA 720	Other Information in Documents Containing Audited Financial Statements	-	✓
ISA 800	The Independent Auditor's Report on Special Purpose Audit Engagements	✓	✓

		<b>PSE</b>	<b>ASE</b>
<b>C    <i>International Auditing Practice Statements</i></b>			
IAPS 1000	Inter-bank Confirmation Procedures	-	✓
IAPS 1004	The Relationship Between Banking Supervisors and Banks' External Auditors	-	✓
IAPS 1005	The Special Considerations in the Audit of Small Entities	✓	✓
IAPS 1006	Audits of the Financial Statements of Banks	-	✓
IAPS 1010	The Consideration of Environmental Matters in the Audit of Financial Statements	-	✓
IAPS 1012	Auditing Derivative Financial Instruments	-	✓
IAPS 1013	Electronic Commerce – Effect on the Audit of Financial Statements	✓	✓
IAPS 1014	Reporting by Auditors on Compliance with International Financial Reporting Standards	✓	✓
		<b>PSE</b>	<b>ASE</b>
<b>D    <i>International Standards on Review Engagements</i></b>			
ISRE 2400	Engagements to Review Financial Statements (Previously ISA 910)	✓	✓
ISRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity	-	✓
		<b>PSE</b>	<b>ASE</b>
<b>E    <i>International Standards on Assurance Engagements</i></b>			
ISAE 3000 (Revised)	Assurance Engagements Other Than Audits or Reviews of Historical Financial Information	-	✓
ISAE 3400	The Examination of Prospective Financial Information (Previously ISA 810)	-	✓

		<b>PSE</b>	<b>ASE</b>
<b>F</b>	<b><i>International Standards on Related Services</i></b>		
ISRS 4400	Engagements to Perform Agreed-Upon Procedures Regarding Financial Information (Previously ISA 920)	✓	✓
ISRS 4410	Engagements to Compile Financial Information (Previously ISA 930)	✓	✓
<b>G</b>	<b><i>MICPA Auditing Technical Releases</i></b>		
ATR 2	Standard Letter of Request for Information from Banks/Finance Companies for Audit Purposes	-	✓
ATR 5	Guidance for Auditors on the Review of Directors' Statement on Internal Control	-	✓
ATR 6	Unit Trust Funds – Distribution Equalisation	-	✓
ATR 7	Examples of Auditor's Reports	✓	✓