

August 26, 2009

Circular No: Stu/08/08/09

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- (ii) Malaysian Accounting Standards (MAS) issued by MICPA, which have not been replaced by MASB approved accounting standards;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 November 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 November 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
(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)

EXAMINABLE ACCOUNTING STANDARDS AND GUIDELINES

		PSE		ASE
		<i>Module A</i>	<i>Module B</i>	
A1	MASB Standards			
FRS 1	First-time Adoption of Financial Reporting Standards	-	-	✓
FRS 1	Amendments to FRS 1 <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127 <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	-	✓	✓
FRS 2	Share-based Payment	-	-	✓
FRS 2	Amendments to FRS 2 <i>Share-based Payment - Vesting Conditions and Cancellations</i>	-	-	✓
FRS 3	Business Combinations	-	✓	✓
FRS 4	Insurance Contracts	-	-	✓
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	-	✓	✓
FRS 6	Exploration for and Evaluation of Mineral Resources	-	-	✓
FRS 7	Financial Instruments : Disclosures	-	-	✓
FRS 8	Operating Segments	-	✓	✓
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	-	✓	✓

A1	MASB Standards (Cont.)	PSE		ASE
		Module A	Module B	
FRS 112	Income Taxes	-	✓	✓
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	-	✓	✓
FRS 121	The Effect of Changes in Foreign Exchange Rates	-	✓	✓
FRS 121	Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – <i>Net Investment in a Foreign Operation</i>	-	✓	✓
FRS 123	Borrowing Costs	-	✓	✓
FRS 124	Related Party Disclosures	-	✓	✓
FRS 126	Accounting and Reporting by Retirement Benefit Plans	-	-	✓
FRS 127	Consolidated and Separate Financial Statements	-	✓	✓
FRS 127	Amendments to FRS 1 <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127 <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	-	✓	✓
FRS 128	Investments in Associates	-	✓	✓
FRS 131	Interests in Joint Ventures	-	✓	✓
FRS 132	Financial Instruments : 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	-	✓	✓

		PSE		ASE
		<i>Module A</i>	<i>Module B</i>	
A1 MASB Standards (Cont.)				
FRS 139	Financial Instruments: Recognition and Measurement	-	-	✓
FRS 140	Investment Property	-	✓	✓
FRS 201 ₂₀₀₄	Property Development Activities	-	✓	✓
FRS 202 ₂₀₀₄	General Insurance Business	-	-	✓
FRS 203 ₂₀₀₄	Life Insurance Business	-	-	✓
FRS 204 ₂₀₀₄	Accounting for Aquaculture	-	-	✓
A2 Private Entity Reporting Standards				
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	-	✓	✓

		PSE		ASE
		<i>Module A</i>	<i>Module B</i>	
A2 Private Entity Reporting Standards (Cont.)				
MASB 23	Impairment of Assets	✓	✓	✓
MASB 25	Income Taxes	-	✓	✓
MASB 27	Borrowing Costs	-	✓	✓
MASB 28	Discontinuing Operations	-	✓	✓
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	-	-	✓
A3 MASB Technical Releases				
TR 1 (revised)	Share Buybacks - Accounting and Disclosures	-	✓	✓
A4 MASB Statements of Principles				
SOP 1	Exempt Enterprises	-	✓	✓
B International Accounting Standards				
IAS 25	Accounting for Investments	✓	✓	✓
C Malaysian Accounting Standards				
MAS 8	Accounting for Pre-cropping Costs	-	✓	✓
D MICPA Technical Bulletins				
TB 8	Accounting for Profit Guarantee and other Contingencies in Business Acquisitions	-	✓	✓

E	MASB IC Interpretations	PSE		ASE
		Module A	Module 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	-	-	✓
IC Interpretation 9	Reassessment of Embedded Derivatives	-	-	✓
IC Interpretation 10	Interim Financial Reporting and Impairment	-	-	✓
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	-	-	✓
IC Interpretation 13	Customer Loyalty Programmes	-	-	✓
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	-	✓	✓

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EXAMINABLE AUDITING STANDARDS AND GUIDELINES

		PSE	ASE
A <i>International Standards on Quality Control</i>			
ISQC 1 (Redrafted)	Quality Control for Firms that Perform Audit and Reviews of Financial Statements, and Other Assurance and Related Services Engagements	✓	✓
B <i>International Standards on Auditing</i>			
ISA 200 (Revised & Redrafted)	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing	✓	✓
ISA 210 (Redrafted)	Agreeing the Terms of Audit Engagements	✓	✓
ISA 220 (Redrafted)	Quality Control for an Audit of Financial Statements	✓	✓
ISA 230 (Redrafted)	Audit Documentation	✓	✓
ISA 240 (Redrafted)	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	✓	✓
ISA 250 (Redrafted)	Consideration of Laws and Regulations in an Audit of Financial Statements	✓	✓
ISA 260 (Revised & Redrafted)	Communication with Those Charged with Governance	✓	✓
ISA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management		
ISA 300 (Redrafted)	Planning an Audit of Financial Statements	✓	✓
ISA 315 (Redrafted)	Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment	✓	✓
ISA 320 (Revised & Redrafted)	Materiality in Planning and Performing an Audit	✓	✓
ISA 330 (Redrafted)	The Auditor's Responses to Assessed Risks	✓	✓

B International Standards on Auditing (Cont.)		PSE	ASE
ISA 402 (Revised & Redrafted)	Audit Considerations Relating to an Entity Using a Service Organisation	✓	✓
ISA 450 (Revised & Redrafted)	Evaluation of Misstatements Identified during the Audit	✓	✓
ISA 500 (Redrafted)	Audit Evidence	✓	✓
ISA 501 (Redrafted)	Audit Evidence - Specific Considerations for Selected Items	✓	✓
ISA 505 (Revised & Redrafted)	External Confirmations	✓	✓
ISA 510 (Redrafted)	Initial Audit Engagements - Opening Balances	✓	✓
ISA 520 (Redrafted)	Analytical Procedures	✓	✓
ISA 530 (Redrafted)	Audit Sampling	✓	✓
ISA 540 (Revised & Redrafted)	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	✓	✓
ISA 550 (Revised & Redrafted)	Related Parties	✓	✓
ISA 560 (Redrafted)	Subsequent Events	✓	✓
ISA 570 (Redrafted)	Going Concern	✓	✓
ISA 580 (Revised & Redrafted)	Written Representations	✓	✓
ISA 600 (Revised & Redrafted)	Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)	✓	✓
ISA 610 (Redrafted)	Using the Work of Internal Auditors	✓	✓
ISA 620 (Revised & Redrafted)	Using the Work of an Auditor's Expert	✓	✓
ISA 700 (Redrafted)	Forming an Opinion and Reporting on Financial Statements	✓	✓
ISA 705 (Revised & Redrafted)	Modifications to the Opinion in the Independent Auditor's Report	✓	✓

		PSE	ASE
B	<i>International Standards on Auditing (Cont.)</i>		
ISA 706 (Revised & Redrafted)	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	✓	✓
ISA 710 (Redrafted)	Comparative Information - Corresponding Figures and Comparative Financial Statements	✓	✓
ISA 720 (Redrafted)	The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements	-	✓
ISA 800 (Revised & Redrafted)	Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	✓	✓
ISA 805 (Revised & Redrafted)	Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	✓	✓
ISA 810 (Revised & Redrafted)	Engagements to Report on Summary Financial Statements	✓	✓
C	<i>International Auditing Practice Statements</i>		
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	✓	✓
D	<i>International Standards on Review Engagements</i>		
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	-	✓

		PSE	ASE
E <i>International Standards on Assurance Engagements</i>			
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)	-	✓
F <i>International Standards on Related Services</i>			
ISRS 4400	Engagements to Perform Agreed-Upon Procedures Regarding Financial Information (Previously ISA 920)	✓	✓
ISRS 4410	Engagements to Compile Financial Information (Previously ISA 930)	✓	✓
G <i>MICPA Auditing Technical Releases</i>			
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	✓	✓
ATR 8	Pro Forma Letter of Engagement - Statutory Audit for Single Entity and Group	✓	✓