

PRESS CLIPPING

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DATE : August 12, 2011 (Friday)

TITLE : **ICAA – MICPA**
**“Improving Corporate Governance in Malaysian Capital
Markets – The Role of the Audit Committee”**

廢除季度財報如同開倒車

（吉隆坡 11 日訊）證券監督委員會（SC）審查監督委員會執行主席聶莫哈默指出，廢除季度報告制度，改為半年制報告，是一項開倒車的舉動。他指出，季度業績報告是投資者得悉公司財務狀況的管道，若廢除季度業績報告，投資者將無法獲得適時的資訊。

早前證券監督委員會針對是否廢除上市公司季度業績報告，轉為半年提呈一次財務報告的形式，徵求公眾意見。部分人士認為，這可以緩和會計部門準備有關報告的壓力，不過，也有反對的聲音。

聶莫哈默是在出席大馬會計師公會（MICPA）與澳洲特許會計公會（ICAA）舉辦的《提升大馬資本市場企業治理》座談會後，發表有關的意見。

另外，他指出，企業將內部審查工作外包至稽查公司進行，並非一項好的策略，他建議各企業應當投入更多資金，建立自身的內部稽查部門。

目前，有 80% 的公司並非通過公司內部稽查師或董事準備財務報表，而是將相關職務外包至稽查公司代勞。如此一來，稽查師將失去其獨立性，也可能降低有關公司帳目的透明度，而公司的財務報表素質亦會深受影響。

「目前企業面臨的挑戰，是如何提升稽查師的技能，以及財務功能。」

提升內部稽查部門

現今企業面臨的挑戰，包括如何讓財務報表發揮功能，讓企業注入更多的資金提升報告的素質、讓符合資格的人負責相關職務並作出明確的抉擇，以及作出可達到目標的抉擇。

為了讓內部稽查師符合資格，基本上一家公司需在財務部注入更多的資金，讓該部門可發揮完善的功能，同時培訓更多符合資格的人才執行相關業務。

針對這一點，稽查委員會需關注的事項有：財務報告的結構和系統是否符合會計標準、企業風險的報告是否具有妥當的控制、主要的會計制度是否通過正式審核和正確的實施。

同時，企業亦需繳付稽查師合理的費用，並非為了節省成本而將相關費用降至最低。至於稽查委員會方面，委員會主席亦需尋求稽查師的回應，以提升財務管理團隊的素質和職員間的合作與能力。

PRESS CLIPPING

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TITLE : **Companies Should Strengthen Management Finance Teams**



August 11, 2011

Companies Should Strengthen Management Finance Teams

Kuala Lumpur, Aug 11 (Bernama) – Companies should invest more to strengthen the management finance teams to ensure competency, thus helping in the production of good financial reports.

Executive chairman of Securities Commission Malaysia Audit Oversight Board, Nik Mohd Hasyudeen Yusoff, said it was important to have good financial reports, produced on a timely basis, to make the company more transparent while helping the board make decisions.

"The financial report made by audit committee will reflect the true company's financial performance, thus it will attract more investors who would demand more information an increasingly shorter time frame," he said.

Nik Mohd Hasyudeen said this in his keynote address at the forum on "Improving Corporate Governance in the Malaysian Capital Market – The Role of the Audit Committee" here today.

The forum, organized by the Institute of Chartered Accountants in Australia and Malaysian Institute of Certified Public Accountants, aims to enhance the quality of governance in the Malaysian capital market.

He said as the value of an independent audit was driven by the independence of the auditors, an audit committee should ensure the firm appointed by the company was independent and able to provide impartial opinion.

"The auditors have the resources, expertise and experience to perform the audit effectively, including considering their audit methodology and the strength of their network," he said.

Nik Mohd Hasyudeen said the integrity of financial reporting would significantly be influenced by the integrity and values of the members the audit committee.

--Bernama

KERATAN AKHBAR

PENERBITAN : Bernama

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TAJUK : Syarikat Harus Perkukuh Pasukan Kewangan Pengurusan



Ogos 11, 2011

Syarikat Harus Perkukuh Pasukan Kewangan Pengurusan

KUALA LUMPUR, 11 Ogos (Bernama) – Syarikat –syarikat harus melabur lebih banyak dalam pasukan kewangan pengurusan untuk memastikan kecekapan, sekali gus membantu dalam penghasilan laporan kewangan yang baik.

Pengerusi eksekutif Lembaga Pemantauan Audit Suruhanjaya Sekuriti Malaysia, Nik Mohd Hasyudeen Yusoff, berkata menghasilkan laporan kewangan yang baik dan dikeluarkan pada masa yang ditetapkan adalah penting, untuk menjadikan sesebuah syarikat itu lebih telus di samping membantu lembaga membuat keputusan.

“Laporan kewangan yang disediakan oleh sesebuah jawatankuasa audit akan mencerminkan prestasi kewangan sebenar syarikat, dan dengan demikian ia akan menarik lebih banyak pelabur yang mahukan lebih banyak maklumat dalam kerangka masa yang semakin singkat,” tegasnya.

Nik Mohd Hasyudeen berkata demikian dalam ucaptamanya pada forum bertajuk “Menambah Baik Tadbir Urus Korporat dalam Pasaran Modal Malaysia – Peranan Jawatankuasa Audit” di sini Khamis.

Forum anjuran Institut Akauntan Berkanun di Australia dan Institut Akauntan Awam Bertauliah Malaysia itu bertujuan meningkatkan kualiti tadbir urus dalam pasaran modal Malaysia.

--Bernama

PRESS CLIPPING

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TITLE : **Increasing Role of Audit Committee**

Increasing role of audit committee

> Integrity of financial reporting process is highly critical, says SC executive

BY **PREMALATHA JAYARAMAN**
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KUALA LUMPUR: An audit committee needs to communicate a strong and clear voice to the management about its expectations on the quality and integrity of financial reporting, a senior Securities Commission executive says.

SC executive chairman of the Audit Oversight Board Nik Mohd Hasyudeen Yusoff said the integrity

of the financial reporting process is highly critical as financial statements should reflect the true financial performance of the reporting entities.

He said the information provided through financial statements form the basis of many other decisions made by various stakeholders in the capital market.

He said an audit committee represents an effective mechanism on providing assurance to the board of directors to focus on the relevant issues although the ultimate

responsibility for the integrity of the financial reporting rests with the latter.

Speaking to reporters at a forum here yesterday, he said among the areas audit committees have to look into are whether the financial reporting architecture and systems employed by the company are appropriate given the industry it is in, business models adopted, funding structures, complexity of operations and requirements of accounting standards.

Other areas are to identify key risks in financial reporting including the risks of fraud, and that effective

controls are in place and whether key accounting policies have been properly adopted and effectively implemented, he said.

"Financial reporting is not a mere compliance obligation. It is part and parcel of the value creation process," Nik Mohd Hasyudeen said.

Audit committees influence the quality of governance in various ways and they are expected to assess the risks and control environment, oversee financial reporting, evaluate the internal and external audit process and review conflict of interest situations and related party transactions.

Nik Mohd Hasyudeen also said

businesses today are more sophisticated and complex while investors are also demanding more information in an increasingly shorter time frame, and they have significantly influenced financial reporting. The effect of the shift from historical cost to fair value accounting is still being felt in many markets, particularly after the global financial crisis.

There has been an increasing demand for disclosure, requiring more information not traditionally captured by the traditional accounting systems to be included in financial statements, he said.

PRESS CLIPPING

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DATE : August 12, 2011 (Friday)

TITLE : **The Big Four Audit Blues**
Institutional Investor Not Worried By Trend

By Adeline Paul Raj
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The Big Four audit blues

KUALA LUMPUR: An increasing number of Malaysia's public-listed companies (PLCs) have moved away from the Big Four audit firms in recent years and gone for smaller ones.

Industry players said the trend, which has become more pronounced recently, is evident by the Big Four's dwindling market shares here.

The Big Four refers to the four largest international firms, namely Deloitte Touche Tohmatsu, PricewaterhouseCoopers (PwC), Ernst & Young

and KPMG.

"We're looking at that as a trend," Nik Mohd Hasyudeen Yusoff, executive chairman of the Audit Oversight Board (AOB), told *Business Times*.

Lee Tuck Heng, a partner at PwC Malaysia, said the trend started taking shape in the last three to five years but seems more pronounced now.

"If you look at the market share of the Big Four, big eight firms, it's dwindling ... and it is the next

tier of audit firms that are taking up some of this market share," said Lee, who has over 30 years of audit experience at home and abroad.

It is understood that PwC's market share of PLCs here has fallen to just under 8 per cent, while that of Ernst & Young has dropped to some 26 per cent.

Crowe Horwarth has probably been the biggest non-Big Four audit firm to gain from this trend.

Industry players cited fees as

one of the key reasons driving PLCs to mid-tier and smaller accounting firms.

Audit firms, especially the bigger ones, have of late been seeking higher fees to match the risks they take on. Audit firms in Malaysia are among the lowest paid in the region and they often cite the low fees as a major challenge for them to be able to secure and retain adequate talent.

"It's driven by a few things. One, obviously, is in terms of fees.

Two, maybe it's also because of the tighter regulatory regime, with the advent of the AOB, the firms are increasingly reassessing in terms of the risk equation ... and perhaps, finding that some clients may not give them the appropriate returns for the services they're giving," said Lee.

Some boards of PLCs don't believe in paying more for services and so that could result in an "agreeable separation" between

■ TURN TO B2, COL. 5

FRIDAY, AUGUST 12, 2011

Institutional investors not worried by trend

■ FROM B1

them and their auditors, he said.

Questions have been raised on whether this trend towards smaller firms is good for the local capital market, especially with some PLCs choosing to go with smaller audit firms only because they cost less.

Nik said the AOB will extend its audit inspection to mid-tier and smaller firms this year to ensure that high standards of audit quality are maintained.

"Whether it moves towards smaller ones or larger ones, the focus should be on quality and credibility because that is what we need in the capital market," he remarked.

The AOB was set up in April last year to oversee audit firms of PLCs. Last year, it conducted regular inspections on six major audit firms, including the Big Four.

Meanwhile, institutional investors like Aberdeen Asset Management Sdn Bhd say they aren't worried by the trend.

"I think it's good because it releases the grip of monopoly on the (Big) Four to do everything. There is a tendency to get complacent when you think you're (naturally) going to get re-appointed. I think smaller firms, because of their size, may tend to work a bit harder to get recognised," said its head of equities Abdul Jalil Rasheed, who helps manage US\$2.5 billion (RM7.6 billion) of assets.

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TITLE : **ICAA – MICPA Forum**
“Improving Corporate Governance in Malaysian Capital Markets – The Role of the Audit Committee”

避免影響獨立決策力 獨立董事不應享購股計劃

基金經理認為，任職數年的掛牌公司獨立董事，不應當享有雇員購股計劃（ESOS），以免影響對公司決策的獨立立場。

安本資產管理（ABERDEEN ASSET MGMT）證券主管阿都拉昔說，證券經理不是反對獨立董事應享有更高的報酬，而是獨立董事一旦享有購股計劃，對他們提供公司的建議獨立性或有質疑。

他說，掛牌公司要的是更有效的獨立董事；而董事部的規模不需大型，而是要“適當混合”，像澳洲就通過稅務獎掖方式，以招攬適當人才加入董事部。

他昨日出席澳洲特許會計師協會（ICCA）及大馬特許公共會計師協會（MICPA）主辦的一項研討會，發表機構投資者對公司董事部職責的期望時，如是指出。

董事部應注入年輕成員

他也认为，挂牌公司董事部应当委任更年轻活力的成员，以替代已超过70岁的董事部成员，让公司更具活力。

此外，董事也应当鼓励公司在股东常年大

会上实行更具透明度的投票政策。

在常年股东在会上，阿都拉昔认为，独立董事应当获得一些特别时间对公司业务发言，这些献议已在泰国和香港实行，新加坡也在改进当中，反观大马的独立董事一般在大会上皆是沉默，无法对公司提供增值作用。

有些人认为独立董事在会上保持沉默，或许因为没有作好准备，他认为，这或许需要正视的问题。

“一些国家的挂牌公司董事部已迈向独立董事成员比执行董事人数多的情况，甚至是完全由独立董事操控，而大马还有一段很长远的距离。”

该机构也不赞同董事部成员是公司前职员，因为在企业监管上不是很适当，但也胥视个别董事情况，因一些公司委任前职员为董事，主要是因为他们对公司的认知透彻，进而对公司作出贡献。

此外，一些“捆绑”的会议议程可以分开提呈，如公司董事的重新委任，应当需要解释该董事重新受委的因由。

提及公司董事部成员的填补时限，他认为设定时限非常不利，尤其在相关人才非常欠缺时，因此，公司在推动与合理性之间需作出平衡。

賬目交外部稽查 影響企業報告素質

●会计专家认为，国内大部分挂牌公司的账目准备，是由外部稽查师负责，进而影响公司企业报告素质。

安永稽查伙伴叶成聪说，挂牌公司账目大多由外部稽查师准备，主要因为这些公司都是在“最后一分钟”进行，但从稽查师的角度，他们可以帮助的程度受到局限，很多时候需要寻求独立董事伸出援手。

他也认为，公司的企业报告应当做出检讨，相信200大公司或有进行此程序，其他可能按兵不动。而公司年报也需作出一些改革，如说明公司从事的行业。

他说，年报中有50%是账目，对分析家或会计专业人士或有利，对一般的投资者或不利，反而是拖累年报的素质。

再者，他说，挂牌公司稽查委员会成员当中，许多没有特許會計師組員，對內部監控程序不够，值得關注。

与此同时，稽查监管局（AUDIT OVERSIGHT BOARD）执行主席聂莫哈末哈苏汀说，要确保挂牌公司的稽查价值，稽查委员会应当考量的问题，包括独立稽查由独立稽查主导，稽查委员会应确保公司的委任是独立性的，并提供无私意见。



PRESS CLIPPING

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TITLE : **ICAA – MICPA Forum**
Call for PLCs to ‘invest’ in high quality finance
function

Call for PLCs to 'invest' in high quality finance function

Ownership of accounts is fundamental issue

Lack of quality human resources sees management passing the buck to external auditors

by ANUJA RAVENDRAN

A BULK of public-listed companies (PLCs), especially the ones below the radar of regular equity investors, are passing the responsibility of preparing their company accounts to external auditors, raising the concern that this may impede auditor's independence.

"Because of the lack of quality human resources within the finance function of the PLCs, the management abdicates and farms out the reporting function to the external auditors," said former Malaysian Institute of Accountants (MIA) president Tan Sri Dr Abdul Samad Alias.

Dr Abdul Samad, who will assume the chairmanship of Perbadanan Insurans Deposit Malaysia next week, said he "has faith in the quality of boards and the people who occupy the finance functions" of some top 200 PLCs on the Bursa Malaysia. Bursa's main market alone has 860 companies.

Industry executives say the PLCs' board members must ensure that the companies they are responsible for have a high quality finance function to avoid shifting the responsibility of accounts preparation to external auditors.

Audit Oversight Board executive chairman Nik Mohd Hasyudeen Yusoff said the PLCs must invest

SEE P4 COL1

FROM P1 PLCs

enough to ensure that the finance function is competent.

"There is a need for audit committees to pay attention to whether the financial reporting function is operated by qualified professionals who keep themselves updated with the developments in financial reporting. They need to be supported by appropriate financial reporting systems and effective internal control," he said at a forum entitled "The Role of the Audit Committee" in Kuala Lumpur yesterday.

The forum was organised by the Institute of Chartered Accountants in Australia and Malaysian Institute of Certified Public Accountants.

Abdul Samad said the ownership of accounts is a fundamental issue that needs to be addressed in order to avoid tarnishing the capital market.

Nik Mohd Hasyudeen said it is important to ensure that the companies' finance officials are able to prepare a full set of financial statements including notes to the accounts in compliance with accounting stand-

ards and other regulations.

The issue of poor quality finance function within the PLCs surfaced more than once at the forum as fellow panelist UEM Group Bhd managing director chief executive officer Datuk Izzaddin Mohd Idris said that in his experience, he had come across companies depending on auditors for accounts preparation.

He said the inability to have financial information ready on a timely basis for board meetings is a common problem encountered by directors; it also stems from the lack of quality within the finance function of companies.

"Investment in good quality human capital is very important," he said.

Nik Mohd Hasyudeen said other areas that audit committees must pay attention to include whether the financial reporting architecture and systems employed are appropriate given the industry the company is involved in, business models adopted, funding structures, complexity of operations and requirements of accounting standards.



Nik Mohd Hasyudeen says it is important to ensure that the companies' finance officials are able to prepare a full set of financial statements

Pic by Small Che Rus