



3 MARCH 2010 (WEDNESDAY) • SECURITIES COMMISSION KUALA LUMPUR

THE AUDIT OVERSIGHT BOARD & ETHICAL DIMENSIONS

–credibility of accountants

8 MIA CPE Credit Hours
Continuing Professional Education



The concept of an Audit Oversight Board (AOB) was first mooted by the then Prime Minister Y.Bhg. Dato' Seri Abdullah Ahmad Badawi in 2007. On 16 December 2009, the 3rd reading of the AOB has since been approved in Parliament with the eventual adoption by mid of 2010 is expected. Will the AOB lead to further fragmentation of the auditing profession into so called big firms versus the smaller practices? Will there be a new set of criteria to "qualify" accountants who want to offer their services to the public listed companies (PLCs) as auditors and or Reporting Accountants? What about the enforcement of International Standards of Quality Control 1 (ISQC 1)? Is there a possibility of a duplication role by Malaysian Institute of Accountants (MIA) and the AOB which will be parked under the Securities Commission Act 1993? The panelists will attempt to answer concerns in these areas.

In recent years, the public have become more aware of ethical issues that cut across the various professions. As a consequence, the MIA is also updating the code of ethics to be in line with public expectation. It will align the code to be in line with the recent updates of the International Federation of Accountants' (IFAC) code of ethics for professional accountants. Among other things, the issues of professional independence among assurance partners and personnel will once again be under the amendment spotlight. Will there be further changes to the definition of network firms that have been in place since 2006? Previously, offering of taxation services together with assurance services is not viewed as a threat to the auditors' independence if offered by the same firm. Moving forward, under the proposed amendment, such position may have shifted. The setting up of an Ethics Standards Board by MIA in June 2009 further underscore the importance of ethics education among accountants and to convince the public of accountants' compliance with certain minimum code of ethical conduct.

One thing is for certain. It is no longer business as usual and you would want to know how accountants will deal with all these impending changes now. This one day forum will attempt to answer some of the questions as a consequence of these 2 developments.

OBJECTIVES

- 1) To create awareness among members of the outlook of the "new" auditing profession by covering the registration & enforcement mechanism under the proposed AOB;
- 2) To prepare members to better position themselves under the new operating environment; post AOB; and
- 3) To educate members on potential new threats and possible safeguards that will arise under the proposed amendment to the Institute's code of ethics. It should take the conversation herein beyond mere regulatory compliance but towards a firm's vision of ethics, making corporate values and ethics part of everyday business decision making.

PROGRAMME OUTLINE

- 0800–0900am **Registration and arrival of VIPs**
- 0900–0915am **Welcome Address**
En Abdul Rahim Abdul Hamid, *President, Malaysian Institute of Accountants (MIA)*
- 0915–0945am **Opening Speech**
Y.Bhg. Tan Sri Zarinah Anwar, *Chairman, Securities Commission of Malaysia*
- 0945–1015am **Coffee break**
- 1015–1100am **Session 1: Audit Oversight Board (AOB) in Malaysia**
This session will focus on the salient points of a recent bill to amend the Securities Commission Act 1993, future functions of the Board relating to audit oversight, responsibilities of practising accountants vis-à-vis the proposed AOB, etc. Mr Goh will share on the efforts of the Commission to ensure a smooth implementation of the Act's requirements and the SC's vision and progress in building an auditor oversight model that meaningfully reduces the risks of financial reporting and auditing failures in our securities markets.
Mr Goh Ching Yin, Executive Director, Strategy & Development, Securities Commission of Malaysia
- 1100–1145am **Session 2: The Singapore Perspective – Public Accountants Oversight Committee (PAOC)**
This session will touch on the oversight framework and operational model in Singapore. Ms Loo will share on their oversight programme and the results of their inspections work to-date. Their effort to develop appropriate oversight that takes into account the diversity of the auditing firms that have registered with the ACRA will also be mentioned.
Ms Shirlynn Loo, Head, Strategy & Planning, Financial Reporting Regulations Division, Accounting & Corporate Regulatory Authority (ACRA), Singapore
- 1145–0100pm **Panel Session I : The Impact of Independent Oversight on the Auditing Profession**
This Panel will foster a robust dialogue that will provide you with valuable insights to enable accountants to be better equipped with these useful information to address the challenges of the new regulatory environment. The roles of various regulators in facilitating the implementation and the impact that independent oversight is having on the practice of public company auditing for both large and small auditing firms will be addressed by the Panelists. This discussion will also enable the smaller SMPs to plan the business direction ahead.
Moderator: *En Nik Mohd Hasyudeen Yusoff, CEO and thought leader, Inovastra Sdn Bhd*
Panelists: *Mr Goh Ching Yin, Ms Shirlynn Loo, En Abdul Rahim Abdul Hamid*
- 0100–0200pm **Lunch**
- 0200–0245pm **Session 3: Building an Ethical Culture**
In building an ethical culture in the workforce, employees should understand the expectations, the work ethics and the moral ethics that are demanded by stakeholders. They must recognise the importance of credibility, integrity and trustworthiness for the success of an organisation. As business becomes complex, individuals must recognise the level of agreement or differences on what constitutes honest and ethical business practice. Both management and employees must be committed to uphold high ethical standards in all transactions.
Y.Bhg. Tan Sri Arshad Ayub, Chairman, PFM Capital Holdings Sdn Bhd
- 0245–0330pm **Session 4: Code of Ethics for the Accounting Profession**
The new Ethics Standards Board has been set up to stimulate ethics education and ethical practices in the profession; and the proposed amendment in the code of ethics is expected to improve the public perceptions. This session will discuss current issues of concern to the practice, as well as discussions on its role in promoting ethical practices and future undertakings/expectations of ethics in the profession. A run through of the proposed changes to the Institute's Code of Ethics will also be conducted.
Mr Ravi Navaratnam, Member, Ethics Standards Board, MIA
- 0330–0400pm **Coffee break**
- 0400–0500pm **Panel Session II : Ethics**
This session will present further insights on ethics, in education and practical experience as well as the regulatory perspective in maintaining ethical practice in the profession.
Moderator: *Prof. Dr. Syed Noh Syed Ahmad, UiTM*
Panelists: *Y.Bhg. Tan Sri Arshad Ayub, Mr Ravi Navaratnam, Y.Bhg. Prof. Datin Dr. Hasnah Haron, Professor, Universiti Sains Malaysia; Ms Christina Constance Foo, Chairman, Ethics Standards Board, MIA*
- 05.00pm **End of Forum**

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1. FULL NAME AS PER I/C (Dato' / Datin / Dr / Mr / Mrs / Ms):

DESIGNATION: MEMBERSHIP NO.1 :

2. FULL NAME AS PER I/C (Dato' / Datin / Dr / Mr / Mrs / Ms):

DESIGNATION: MEMBERSHIP NO.1 :

3. FULL NAME AS PER I/C (Dato' / Datin / Dr / Mr / Mrs / Ms):

DESIGNATION: MEMBERSHIP NO.1 :

ORGANISATION:

INDUSTRY: CONTACT PERSON:

ADDRESS:

E-MAIL:

TEL: FAX:

CHEQUE NO. : FEE PAID (RM):

SIGNATURE & COMPANY STAMP:

PAYMENT BY CREDIT CARD

I authorise payment of RM VISA MASTER (tick whichever applicable)

Name of cardholder (please print):

Card No.:

Card Expiry Date:

Date: Signature of Cardholder

ADMINISTRATIVE DETAILS

Member | RM 400
 Non-member | RM 550
 Students (with valid pass) | RM 200

Fee is made payable to MIA-MPDC.
 Fee includes course materials, two tea breaks and lunch per day.
 Admittance will only be permitted upon receipt of full payment. Registration made by fax must be followed immediately by payment.

REGISTRATION / ENQUIRY

CALL : Cik Vera
 TEL : 03.2279 9358
 FAX : 03.2273 5167
 EMAIL : mpdc@mia.org.my
 ADD : Malaysian Institute of Accountants
 Dewan Akauntan
 No. 2, Jalan Tun Sambanthan 3
 Brickfields, 50470 Kuala Lumpur

CPE HOURS

All participants will be presented with a Certificate of Attendance upon successful completion of the programme. CPE hours will be credited into the Membership System within 2 weeks of the programme.

CANCELLATION

Upon registering, participant(s) are considered successfully enrolled in the event. Should participant(s) decide to cancel their enrollment; a cancellation fee will be levied. Written cancellations received:
 • One (1) week before the event, a refund (less an administrative charge of 20%) will be made.
 • For no-show on the day of the event, no refund will be entertained.

You can substitute an alternate participant(s) if you wish to avoid cancellation charges. Any difference in fee charges will be charged accordingly.

Cancelled unpaid registrations will also be liable for full payment of the registration fee.

DISCLAIMER

The organisers reserve the right to change the speaker(s), date(s) and to cancel the programme should circumstances beyond its control arise. The organisers also reserve the right to make alternative arrangements without prior notice should it be necessary to do so. Upon signing the registration form, you are deemed to have read and accepted the terms and conditions.

SPEAKERS' PROFILE



Y.BHG. TAN SRI DATUK ARSHAD BIN AYUB is the Chairman of PFM Capital Holdings Sdn Bhd, and holds chairmanship at the Lembaga Pengarah University Malaya, PINTAR Board of Trustees, AmanahRaya Investment Bank Ltd, LBI Capital Berhad, Tomypak Holdings Berhad and Zalaraz Sdn Bhd. Tan Sri Arshad is the Pro Chancellor of UiTM, a member of Justices Harun's Salary Commission for statutory bodies and local government and the President of Malaysia Rubber Products Manufacturers Association (MRPMA). He is also the Governor of Kolej Tuanku Jaafar.

Tan Sri Arshad was bestowed the ACCA Achievement Awards 2007 and the Anugerah Mutiara Budi, Kementerian Kewangan Malaysia on March 2007. These are amongst many of his other honorary awards in recognition of his wide working experience.



GOH CHING YIN is the Executive Director for Strategy and Development of the Securities Commission.

He is responsible for strategy and research, market development, Islamic Capital Market (ICM), economics and risk management. His team conceptualises and formulates capital market strategy, developmental initiatives and the SC's business plan, and provides policy analysis of key issues and input to the government on wider issues affecting the broader economy and the capital market. They also identify and manage macro risks to the SC's regulatory objectives, and oversee initiatives to develop the Malaysian capital market, including the ICM.



Y.BHG. PROF. DATIN DR. HASNAH HARON is a Professor of Accounting at Universiti Sains Malaysia (USM). Before holding the Deanship at the newly formed Graduate School of Business, she was Chairperson of the Accounting Programme and Deputy Director of the Advanced Management Centre.

On the MIA Council, she is a member of the Disciplinary Appeal Board (DAB), the Examination Committee (EC), and the Ethics Standards Board (ESB). She is also a fellow member of the Institute of Internal Auditors Malaysia, and is currently the Vice President of the Asian Academy of Management.



RAVI NAVARATNAM has a B.Ec (Hons) (Economics and Accountancy) degree from Monash University, Australia and a LLB (Hons) degree from the University of London. He is a Fellow of CPA Australia and is also a Barrister of the Bar of UK and Wales, Gray's Inn. He is a member of the Ethics Standards Board (ESB) of MIA.

Ravi is currently the Executive Vice President (Corporate Finance) of Minconsult Sdn Bhd., an Engineering Consultancy Firm. He has over 25 years of work experience in the fields of corporate and project finance as well as in general management functions in his previous role as Managing Director / Director of Corporate Finance of STB-CH Management Services Sdn Bhd, a subsidiary of Sitt Tatt Group; Head of Corporate Finance at KYM Holdings Bhd and Group Director for Corporate Finance & Planning of Malaysian Helicopter Services Bhd (MHS).



SHIRLYNN LOO MUI HOON is the Head of Profession and Sector Development and External Relations, Strategy & Planning Division, of the Accounting and Corporate Regulatory Authority (ACRA), Singapore.

Shirlynn holds a Bachelor of Accountancy Degree from the Nanyang Technological University, Singapore. Her career was with KPMG Singapore before she joined the Ministry of Finance in 2000 and was appointed as the Head of Public Accountants Registration Division in 2004, at the time of the establishment of the Accounting and Corporate Regulatory Authority ("ACRA").

Shirlynn is the current Senior Assistant Registrar of Public Accountants, overseeing matters pertaining to the public accountancy profession and sector development, including serving on the secretariat team to the Committee to develop the accountancy sector.

Shirlynn is a non-practising member of the Institute of Certified Public Accountants of Singapore.