

Governance and Accountability in Financial Audit

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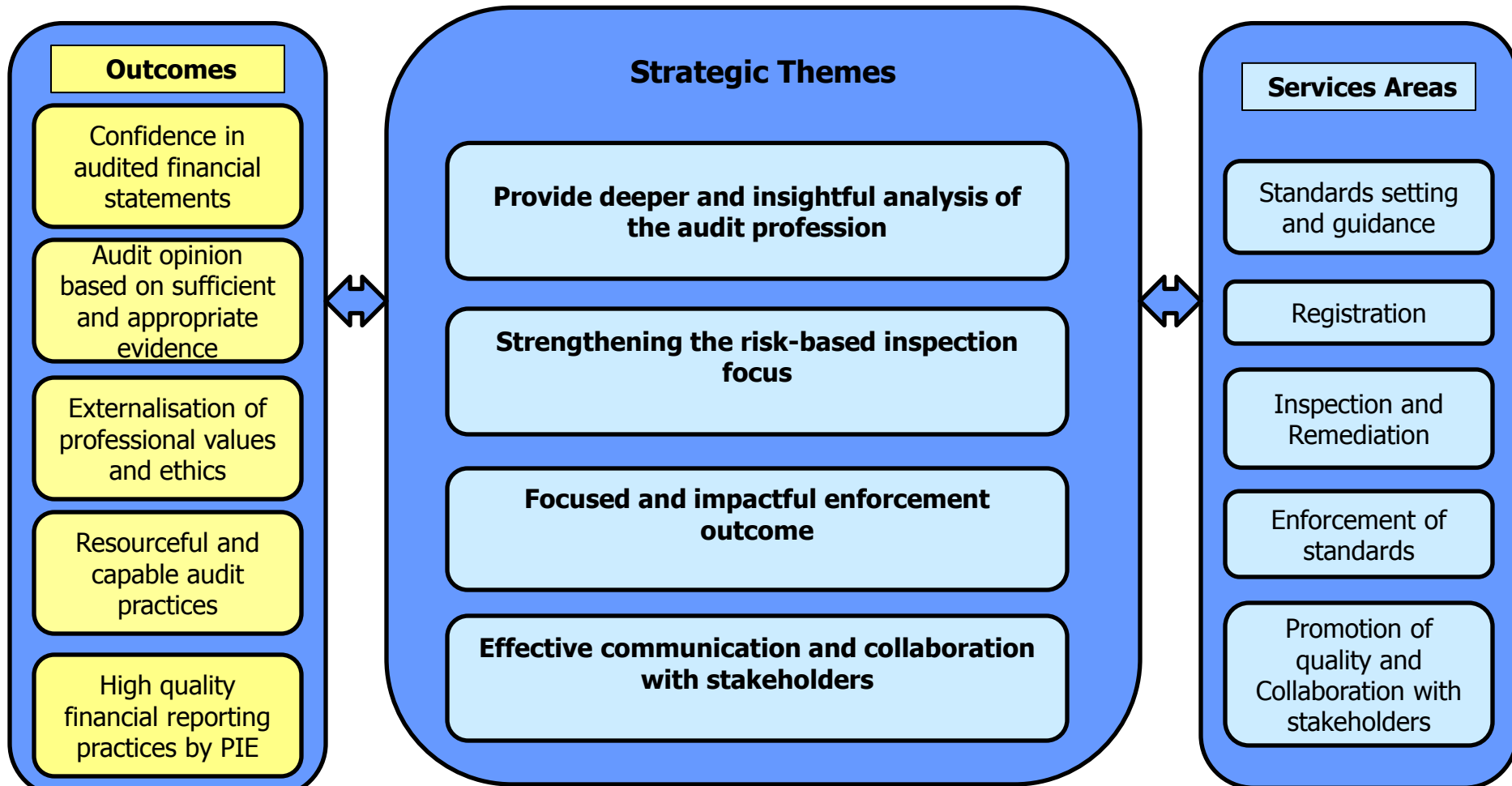
AUDIT OVERSIGHT BOARD

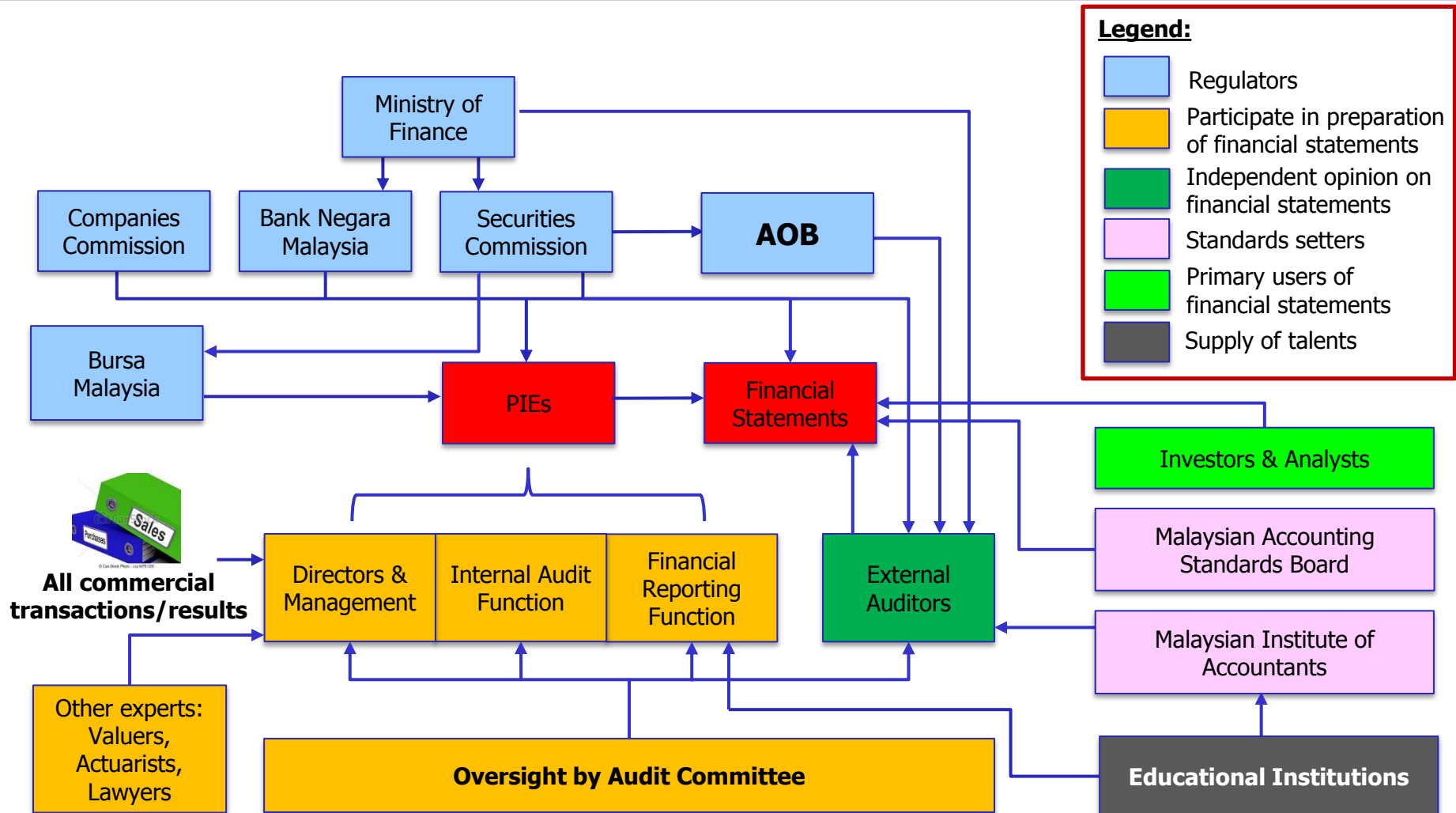
PRESENTATION

1. About AOB
2. Enhancing corporate governance
3. Expectations of AOB with regards to Audit Committee and Board of Directors

- The Securities Commission Malaysia has been given the power by Parliament to undertake these functions:
 - Promote and develop an effective and robust audit oversight framework in Malaysia;
 - Promote confidence in the quality and reliability of audited financial statements in Malaysia; and
 - Regulate auditors of Public Interest Entities (PIE) and Schedule Funds.
- The AOB was established on 1 April 2010 to discharge the above functions.

“Fostering high quality independent auditing to promote confidence in the quality and reliability of audited financial statements of public interest entities in Malaysia”





Key responsibilities of the Audit Committee

- Implementation of policies for risk identification and evaluation.
- Adequate and effective internal controls to address:
 - ✓ Control environment
 - ✓ Risk assessment
 - ✓ Control activities
 - ✓ Information
 - ✓ Monitoring

- Review and report to the Board any (recurrent) related party transactions and conflict of interest situations that may arise in the company or the group.
- Ensure establishment of proper framework.
- Assessment should consider economic and commercial substance over form.



Supported by:

- Right personnel
- Adequate resources
- Right infrastructure

- Review competency of internal audit (IA) function e.g. Quality Assurance Review by external parties.
- Review and monitor suitability and independence of external auditors (EA), including consideration of:
 - ✓ Competence
 - ✓ Scope of audit
 - ✓ Audit fee
- Ensure IA and EA maintain an effective relationship and co-ordinate their efforts.

To ensure:

- Integrity of financial reporting
- Financial statements give a true and fair view of the financial position and results of the company.
- Compliance with all applicable legal and regulatory financial reporting requirements and accounting standards.

Source:
*Corporate Governance
Guide (2nd Edition),
by Bursa Malaysia*





Audit Oversight Board Malaysia



Suruhanjaya Sekuriti
Securities Commission
Malaysia

