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A Beginner's Guide to Financial Report: Definition, Types, Tools & Templates

at-mia.my/2024/10/15/a-beginners-guide-to-financial-report-definition-types-tools-templates

October 15, 2024

Getting started on your maiden annual report can be a daunting task. Below are some steps to ease the process:

Step 1: Be clear about your readers

Before creating a financial report, it's essential to consider who will be reading it, as the content should be tailored to the audience. For instance, a summary highlighting key financial indicators is more appropriate for non-professional readers, whereas a detailed report with all metrics might overwhelm them. If you want to avoid manually selecting indicators each time, you need a tool that allows you to store different financial report templates. I would like to recommend **FineReport**, which enables you to customise and save templates, so when the time comes, you only need to update the data within these templates, streamlining the reporting process.

In addition, company managers often need monthly financial reports. There are repetitive steps in creating reports manually. However, FineReport supports sending reports regularly to the managers, freeing you from repetitive work.

Step 2: Collect financial data

Compared with other steps, data collection is a relatively tiring step in financial reporting. Also, it is an essential step that determines the report's accuracy. First, you need to collect and organise the original receipts. Then, you can prepare corresponding accounting vouchers. These steps are time-consuming if they are followed in traditional ways, especially for a beginner.

Therefore, a professional reporting tool can offer you some help. FineReport supports data connection from different systems, making it



easier for you to collect financial data while ensuring the accuracy of the data. Besides, FineReport's automatic report function can realise real-time data updating, which saves the time of manual modification and improves your work efficiency.

Step 3: Design a report and visualise financial data

After data collection, it is time to display the data in a financial report. Traditionally, financial professionals are accustomed to making reports in Excel. There is no doubt that Excel is a very practical and convenient tool for a new company to do financial reporting. However, as the company develops, the volume of financial data will also grow rapidly. The traditional financial spreadsheet will become more complex, making it harder for people to analyse. Therefore, the company needs a reporting tool for help. FineReport is a professional reporting tool specialising in financial solutions. It offers different templates and samples not only for financial statements but also for financial analysis. There are three built-in financial statement templates for you to apply, saving time and effort.

Different financial dashboards in FineReport help visualise financial data to improve the efficiency of financial analysis. The Excel-like design of FineReport is very easy to use. After data collection, you can design the layout and drag and drop to generate reports. Dashboards can display key indicators more intuitively, making it easy for managers to find problems in time and adjust decisions.

Why Does a Company Need Financial Reports?

After the introduction above, you should have a better understanding of the definition of financial reports and the steps of creating them. But why does a company need financial reports? What can financial reports provide for different people? Let's discuss the importance of financial reports for a company and the benefits of financial analysis reports for different groups, including the executives, the employees, the stockholders, the investors, and the creditors.



The Importance for an Enterprise

On the one hand, an enterprise needs financial reports to comprehensively measure the health of its financial position and obtain insights for future development. Through financial reporting, all the activities in the given time can be systematically recorded, and the results of these activities can also be clearly evaluated. Therefore, the enterprise can make predictions accordingly.

On the other hand, regular financial reports have some external advantages. Well-structured financial reports can display the company's strength and its long-term stability for its cooperation partners as well as clients. As a result, the enterprise will gain more trust from them and establish long-term cooperation relationships.

For its executives

Financial reports help executives quickly discover the problems existing in the business operations and then adjust decisions. For example, suppose there are no structured cash flow statements. It will be hard for the executives to clearly remember a large number of different sources and uses of the cash, not to mention the net increase or decrease in cash and cash equivalents. However, if there are financial reports with visualised data, it will take less time for the executives to find out what is wrong and then readjust strategies to ensure the healthy development of the enterprise.

Conclusion

Keeping these concepts and skills in mind, you can successfully make a satisfactory financial report. If you want to save energy and improve efficiency, [FineReport](#) is a good option.

The article is contributed by Fanruan (Malaysia) Sdn Bhd

A Guide to Enhancing Your Audit Practice Reviews

 at-mia.my/2024/09/04/a-guide-to-enhancing-your-audit-practice-reviews

September 4, 2024



By Wolters Kluwer

Audit practice reviews are an essential part of maintaining audit quality and ensuring adherence to professional standards and regulations. In Malaysia, the Malaysian Institute of Accountants (MIA) Practice Review Committee oversees surveillance activities on audit firms to ensure compliance with International Standards on Auditing (ISAs) and other requirements. In this article and [downloadable guide](#), we will explore five ways audit firms can use digital technologies to enhance their audit reviews and improve overall audit quality.

Streamline final assembly of audit files

One common challenge auditors face is the final assembly of audit files, which can be particularly problematic when documents are not centralised, are scattered across various locations, or are in different formats. This decentralised filing often leads to difficulties in locating and organising workpapers, resulting in time-consuming corrections and potential delays in the audit finalisation process. Adopting a full paperless audit software, such as [CCH® ProSystem fx® Engagement](#), can address this challenge. This software allows for the creation and maintenance of electronic working papers and audit files, eliminating the need for physical documents. It also provides archival features to lock the final audit file, ensuring

its integrity. By streamlining the process, audit firms can ensure that their documentation is properly maintained and easily accessible for future reviews, while also strengthening internal controls and compliance processes.

Thorough documentation

Insufficient and inappropriate documentation is a recurring audit finding¹ that can raise questions about the validity of the audit process. To address this challenge, audit firms can utilise software that embeds the Malaysian Institute of Certified Public Accountants or MICPA audit guide and illustrative audit work papers. These templates come equipped with the required audit programmes and checklists, ensuring auditors capture all necessary supporting documents for each audit procedure. By standardising documentation practices, firms can improve the quality and completeness of their audit documentation.



Cross-reference to other audit working papers

A lack of cross-references to planning checklists and inadequate interpretation of preliminary analytical review results² is another key challenge. Audit software allows for a more comprehensive analytical process by enhancing audit documentation directly within working papers. Auditors can insert cross-references, ensuring that all relevant information is connected and accessible, thereby improving the overall quality of the audit documentation.

Remove bias in audit sampling

Traditional audit methodologies often rely on manual, judgement-based sample selection, which can introduce potential bias and inconsistency. Audit firms can address this challenge by leveraging excel-based audit data analytics tools like Teammate Analytics. This tool enables a data-driven approach to sample selection. By using statistical sampling methods, such as Monetary Unit Sampling (MUS), Stratified Sampling, and Attribute Sampling, auditors can eliminate bias and improve the integrity of the audit process.

Invest in the planning and risk assessment process

Continuous updates in accounting and auditing standards, alongside changes in client business operations, add complexity to the audit process. Comprehensive audit planning and rigorous risk assessment processes are essential for effective audits. Leveraging digital knowledge solutions like CCH® iKnowConnect and CCH® ProSystem fx® Knowledge Coach can enable auditors to document their audit planning process and research for every step of the audit, making the audit more efficient and accurate.

By implementing these five strategies and leveraging digital technologies, audit firms can enhance their audit practice reviews. Improving audit quality and meeting regulatory requirements ultimately supports effective regulation of the accountancy profession and protects the public interest.

[Download the full guide: "Five-step guide to improving your audit practice reviews"](#).

¹ *The Audit Profession in Malaysia 2018 page 41*

² *Source: The Audit Profession in Malaysia 2018 page 53*

Digital Technology Adoption Awards: Celebrating Digital Transformation Excellence in the Accountancy Profession

at-mia.my/2024/09/24/digital-technology-adoption-awards-celebrating-digital-transformation-excellence-in-the-accountancy-profession

September 24, 2024

By MIA Sustainability, Digital Economy and Reporting Team

In the age marked by rapid technological advancement, the accountancy profession finds itself at a critical juncture of transformation. Acknowledging the pivotal role of technology in reshaping the future of accounting, the Malaysian Institute of Accountants (MIA) proactively champions digital transformation for the profession. At the forefront of this endeavour is the Digital Technology Adoption Awards (DTAA), a prestigious accolade that celebrates excellence in technology application within the accountancy profession.

Rooted in the MIA Digital Technology Blueprint of 2018, the DTAA stands as a testament to the profession's commitment in embracing digital transformation. The Blueprint, a strategic roadmap for navigating the digital landscape, laid the groundwork for MIA's initiatives geared towards embracing digital transformation in the profession. The DTAA, in particular, embodies the essence of this Blueprint by recognising and rewarding exemplary digital initiatives that push the boundaries of innovation.



Winners of the DTAA

Launched in March 2023, the DTAA represents a paradigm shift in the Malaysian awards landscape, recognising remarkable achievements in digital technology adoption across commerce and industry, public practice, and the public sector. At its core, the DTAA is guided by three fundamental objectives:

- Promoting technology adoption by sharing success stories across the profession
- Raising awareness of digital adoption impact and accountants' pivotal role in contributing to businesses and economy
- Recognising and celebrating digital adoption efforts, thereby inspiring a culture of innovation and progress within the profession.

The technology implementations recognised under the DTAA centres around the roles in the accountancy profession.

<p>DTAA Category</p> <p>COMMERCE & INDUSTRY</p> <p>Expectations of Technology Adoption</p> <p>Enhance or improve the finance function</p>	<p>DTAA Category</p> <p>PUBLIC PRACTICE</p> <p>Expectations of Technology Adoption</p> <p>Retain, reimagine and innovate their practices and services</p>	<p>DTAA Category</p> <p>PUBLIC SECTOR</p> <p>Expectations of Technology Adoption</p> <p>Improve efficiency of daily operations and increase satisfaction of targeted users or customers</p>
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Central to the success of the DTAA is its thorough adjudication process, which evaluates the impact of digital technology adoption across various dimensions. From assessing revenue and cost implications to evaluating experience and impact, the adjudication process ensures a comprehensive evaluation of digital adoption in an organisation. Moreover, it considers other value creations such as innovation, return on investment, sustainability, and branding, underscoring the holistic approach towards assessing the digital technology adoption.

The DTAA goes beyond mere recognition; it serves as a catalyst for change within the profession. By celebrating excellence in technology adoption, the awards programme inspires professionals to embrace change and adopt innovative practices that drive business growth and enhance efficiency. Moreover, the DTAA fosters a community of forward-thinking professionals dedicated to shaping the future of accounting for nation-building.

The recent DTAA Presentation Dinner held at MITEC Kuala Lumpur on 15 May 2024 marked a significant milestone in MIA's digital advocacy journey. Fourteen deserving winners were unveiled during the ceremony, representing a diverse array of digital innovation within the profession.



Watch Video At: <https://youtu.be/KT1rhVEZjEs>

The esteemed presence of the Guest of Honour, Deputy Minister of Finance Yang Berhormat Puan Lim Hui Ying, underscored the national significance of MIA's digital initiatives. YB Puan Lim Hui Ying commended MIA on its commitment to digital transformation, highlighting the alignment of the DTAA with national digital agendas and the rise of the digital economy. She emphasised the crucial role of accountants in driving Malaysia's digital transformation agenda, urging professionals to acquire digital competencies to navigate the evolving landscape successfully.

The DTAA exemplifies MIA's unwavering commitment to fostering a digitally-enabled profession. By celebrating excellence in technology application, the DTAA not only recognises individual achievements but also inspires a broader culture of innovation and progress within the profession. As technology continues to change the accounting landscape, initiatives like the DTAA play a pivotal role in shaping the future of the profession, ensuring its continued relevance in an increasingly digital world.

MIA expresses its heartiest congratulations to the participants and winners of the inaugural DTAA!

Special thanks to:

- The MIA Digital Technology Implementation Committee (DTIC)
- The DTAA Task Force
- Supporting ministry: Ministry of Science, Technology and Innovation (MOSTI)
- Supporting organisations: BURSA Malaysia, Malaysia Digital Economy Corporation (MDEC) and MyDIGITAL

- Supporting professional bodies: ACCA and AICPA-CIMA
- Supporting technology providers: AMC Group, BizAdvisor Digital, Caltrix, Dun & Bradstreet, Eurosolve Business Intelligence, iBiZZtax, Numa Solution, Swipecy and Xeersoft.
- Premium Dinner Tables: Advisirs Plus Sdn Bhd and YYC GST Consultants Sdn Bhd

List of DTAA Winners

PUBLIC PRACTICE	LESS THAN 10 EMPLOYEES	
	Recognition Award	Shukri Yusof & Co. (Practice management process)
	Top Excellence Award	NC Accounting Services Sdn Bhd (Accounting process)
	10 TO 49 EMPLOYEES	
	Excellence Award	CWC & Eng PLT (Practice management process)
		Chia, Ka Partners PLT (Practice management process)
	Top Excellence Award	Advisirs Plus Sdn Bhd (Practice management process)
		CCL & Partners PLT (Audit process)
	50 TO 99 EMPLOYEES	
	Top Excellence Award	YYC GST Consultants Sdn Bhd (Tax process)
	MORE THAN 300 EMPLOYEES	
	Top Excellence Award	PricewaterhouseCoopers Taxation Services Sdn Bhd (Tax process)
		Deloitte PLT (Audit process)
		Ernst & Young PLT (Audit process)
PricewaterhouseCoopers Risk Services Sdn Bhd (Risk management process)		
COMMERCE & INDUSTRY	SMES IN SERVICES AND OTHER SECTORS	
	Top Excellence Award	TLC Houseware Sdn Bhd (Accounts receivable process)
	NON-LISTED ENTITIES	
	Top Excellence Award	Hershey Malaysia Sdn Bhd (Inventory management process)
Institut Jantung Negara Sdn Bhd (Accounts payable process)		
CERTIFICATE OF MERIT	Century Software (Malaysia) Sdn Bhd	
	Chris Business Solution Sdn Bhd	
	J & J Corporate Services Sdn Bhd	
	Swift Bridge Technologies (M) Sdn Bhd	
	Xeersoft Sdn Bhd	
	Zhonghui Anda Malaysia	

View the official media release for the DTAA Presentation Dinner [here](#), the video on the DTAA Presentation Dinner [here](#) and keep an eye out for updates on the next round of the DTAA!

Digitalisation & Artificial Intelligence (AI): Charting a Professional Path to Future Success

 at-mia.my/2024/10/17/digitalisation-artificial-intelligence-ai-charting-a-professional-path-to-future-success

October 17, 2024

By Yee Chee Mun

The Imperatives of Digitalisation

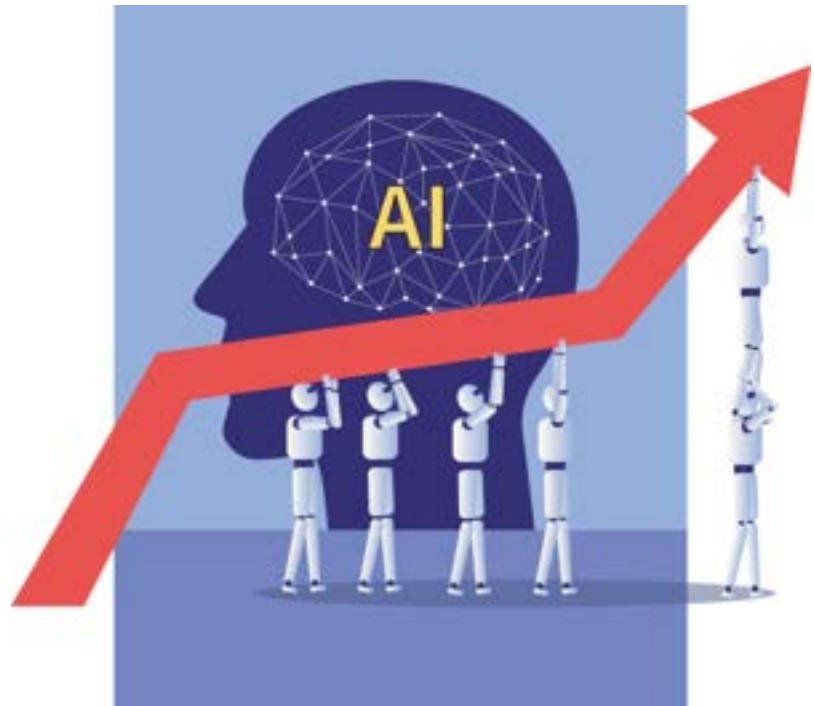
Digitalisation is no longer optional; it is fundamental for achieving future success. The World Economic Forum projects that 70% of new economic value will be derived from digitally-enabled platforms over the next decade. Automation is expected to significantly impact the workforce, displacing over 20% of jobs in advanced economies and 10% in emerging countries by 2030. Despite economic uncertainty, 72% of US CEOs still opt to prioritise investment in generative AI.

Challenges and Barriers

Embracing digitalisation and AI presents various challenges, each with its own barriers and limitations as many businesses struggle to define a clear digital strategy and vision or to understand the impact on their operations. Hiring skilled tech talent capable of supporting long-term digitalisation initiatives is also challenging. Additionally, sustaining digitalisation and AI initiatives can be prohibitively expensive and digital solutions often lack the nuanced, intuitive problem-solving mindset that humans bring, potentially leading to mistakes and increasing the risk of legal issues. Either individuals or teams can be slow or resistant in adapting AI-driven changes since change has always been uneasy and uncomfortable. Nevertheless, the ultimate aim should be to balance these high risks with effective management to harness opportunities for growth.

What Do Digitalisation and AI Mean for Professionals?

Integrating professionals with digitalisation and AI not only simplifies tasks but also paves the way for future success through higher productivity, greater efficiency, increased transparency, and enhanced trust with partners and customers. This synergistic approach fosters innovation and positions businesses for sustained growth.



Facing the New Work Paradigm

Professional organisations might face challenges in upgrading their existing practices to incorporate a more digital approach, often encountering resistance from employees who fear job displacement. If not handled well, adapting to new practices can be uncomfortable and error-prone, discouraging working morale. Data privacy and security concerns need addressing, and the need for continuous upskilling to handle advanced digital tools and techniques is both costly and uncertain. Furthermore, the high costs involved in digitalisation affect business viability and necessitate a reassessment of resource allocation.

Digitised Corporate Governance

A good digital strategy for professional sectors incorporates the elements of **Process**, **People**, and **Performance** into a cohesive framework, to enhance the quality of their internal governance and ensure their practices align with legal and ethical standards. On the other hand, performance optimisation is crucial for businesses to achieve quick and effective market entry, as it involves reviews and the refinement of processes for the Board, members, committees, and meetings. At the core of digitised corporate governance lies the ability to empower company boards with the tools necessary to make informed and strategic decisions.



Balancing Customer Experience

In the realm of customer experience, a **seamless digital experience** should not exclude the human touch; rather, it should complement it. Combining digital convenience with the empathy and personalisation of human interaction can significantly enhance customer satisfaction and loyalty.

Conclusion

Digitalisation Made Simple: Begin Small, Impact Big

How should professional organisations embark on embracing digital? Start your digitalisation journey with small, manageable steps. Focus on the gradual integration of digital tools and AI. This approach ensures smoother transitions, reduces resistance, and builds a stronger foundation for future advancements.

“The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it.”

– *Michelangelo*

It is also critical to set challenging goals. This quote by Michelangelo emphasises that the real risk lies in setting goals that don't drive us to our full potential. Whether our aim is high or low, the fundamental aspect is having the courage to embrace change. It is through daring to change and challenging ourselves that we achieve true growth and success.

Yee Chee Mun is the Chief Executive Officer of Wezmart Group.

Ensuring Future Relevancy of Accountancy Professionals, a Challenge to the Industry

at-mia.my/2024/09/13/ensuring-future-relevancy-of-accountancy-professionals-a-challenge-to-the-industry

September 13, 2024

Attracting, retaining and ensuring the future relevance of accountancy professionals are a key challenge faced by the accountancy profession, according to the Malaysian Institute of Accountants (MIA) president Dato' Seri Mohamad Zabidi Ahmad.



Dato' Seri Dr Mohamad Zabidi Ahmad, MIA President

He pointed out that these challenges are interlinked as strengthening the relevance and attractiveness of the profession will attract and retain talents to stay and work in accountancy-related roles.

“Under the strategy for future relevance, the MIA has embarked on several initiatives such as developing future fit talents. Accountancy talents must be fit for purpose in today’s evolving marketplace which is being irrevocably shaped by forces such as regulations, geopolitics, sustainability and digitalisation.

“Aligning accountancy education with global standards will help to produce these market oriented talents. The MIA Education Board is tasked with establishing requirements on professional accountancy education and ensuring consistency with global standards

especially the IFAC International Education Standards (IES) as issued by the International Accounting Education Standards Board (IAESB),” he told Bernama recently.

Other talent-related strategies embraced by the MIA include understanding market expectations as well as closing gaps in producing market-ready professionals, diversifying the accountancy talent pool, inculcating ethics as the foundation of trust, communicating the changing and impactful roles of the job, and preparing accountancy professionals to embrace sustainability and digital transformation.

Mohamed added that along with strategic advocacy and initiatives, MIA is committed to delivering excellence in continuing professional education (CPE) for its close to 40,000 members.

“For our financial year ending June 30, 2024, we successfully organised about 1,000 CPE events that benefited more than 40,000 members and non-members.

“The pinnacle of our CPE was the hybrid MIA International Accountants Conference 2024 which focused on sustainability and the profession, and drew a record number of close to 3,800 delegates over two days,” he said.

MIA focuses strongly on digital transformation and sustainability to strengthen the future fitness of the profession. Digital adoption efforts are guided by the MIA Digital Technology Blueprint launched in 2018 which was commended by the International Federation of Accountants (IFAC) as a template for the digital transformation of the occupation.

A recent milestone for MIA’s digital adoption is the inaugural Digital Technology Adoption Awards 2024, which is the first of its kind for the global accountancy profession and intends to recognise excellence in digital adoption specifically for the profession.

To help drive sustainability, MIA launched its Sustainability Blueprint for the Accountancy Profession on June 11, this year to steer the profession in embracing an ESG (environmental, social, and governance) approach and support the national sustainability agenda.

“Holistically, this blueprint is intended to enable accountancy professionals to be future relevant, adaptable and resilient in navigating sustainability.

“The blueprint seeks to empower accountants to align their practices with sustainability imperatives to achieve objectives such as establishing aspirations for accountants in the country with regards to sustainability, analysing key challenges facing the accountancy profession in Malaysia based on the domestic and global sustainability landscape as well as enabling accountants in the sustainability space,” he said.

Mohamed added that MIA is committed to nation building via its role as the regulator and developer of the accountancy profession in Malaysia, as vested in the Institute by the Accountants Act 1967.

This includes strengthening MIA's collaboration with Bank Negara Malaysia (BNM) on anti money laundering and combating the financing of terrorism, and corruption as well as financial crimes with the Malaysian Anti-Corruption Agency (MACC).



Asmaa Resmouki, IFAC President

He also noted that it is important for the institute to engage and collaborate with global accounting bodies like The International Federation of Accountants (IFAC) in order to enhance its international recognition, influence and stature as the voice of the profession.

Meanwhile, according to IFAC president Asmaa Resmouki, the collaboration between IFAC and MIA has been pivotal in advancing the accounting profession in key areas such as Islamic finance and sustainability initiatives.

“The partnership between IFAC and MIA is set to continue evolving in strengthening the ESG agenda, enhancing Islamic finance, promoting digital innovation as well as capacity building

and professional development,” she said.

She added that IFAC's partnership with MIA will continue to contribute to the advancement of the accounting profession in the country and beyond, for many years to come.

Speaking about the MIA International Accountants Conference 2024 held in June, which featured 80 leading speakers in the industry, Asmaa said the themes and discussion were clear towards promoting a stronger focus on sustainability and ESG reporting.

“I am sure that the conference will also drive Malaysia toward greater adoption of innovative practices and technologies, greater relevance and global competitiveness, and an even stronger standing as a leader in sustainable business practices.

“The insights and collaborations fostered at the conference will empower accounting professionals to navigate future.

This article first appeared on Bernama Online on 26 August 2024.

GenAI in The Accountancy Profession

 at-mia.my/2024/09/17/genai-in-the-accountancy-profession

September 17, 2024

By MIA Sustainability, Digital Economy and Reporting Team

The shift to GenAI will generate new opportunities that necessitate new skills and continuous learning, and reconfiguring the future landscape of the accountancy profession in Malaysia

How has the role of accountants changed with the rise of Generative Artificial Intelligence (GenAI)?

This topic was the focus of the recent panel session on “Navigating Tomorrow: GenAI in The Accountancy Profession” at the MIA Digital Month 2024. The session was moderated by Professor Dr David Asirvatham, a member of the MIA Digital Technology Implementation Committee (DTIC), who was joined by Hoh Yoon Hoong, Partner and EY ASEAN Assurance Digital Leader, Ernst & Young PLT; Dr Kam Hong Shum, Founding Member, LedgerBrains AI Consortium; Khalil Nooh, Co-founder and CEO, Mesolitica and Professor Dr Rozainun Abdul Aziz, President, ASEAN Accounting Education Workgroup (AAEW).

Professor Dr David opened the session by highlighting how the ongoing evolution of AI and its subsets is driving changes in the field of accounting among others. Instead of just crunching numbers and managing records, accountants are now required to interpret data more deeply, learn from new data while adapting to all the technological advancements transforming the profession.

Read on for insights from the panel session.

Transformation in Accounting with GenAI

According to Professor Dr David, the rapid evolution of GenAI is more than just a buzzword; it is revolutionising industries including accounting. Automated bookkeeping, enhanced client communication, and AI-based tools are transforming the traditional landscape of this profession. Accountants no longer need to expend time on repetitive tasks, allowing them to focus more on strategic roles.

Realising the need to transform and how clients are getting more sophisticated, Ernst & Young started their transformation journey with AI and GenAI years ago by building tools like EY.ai EYQ (akin to a specialised ChatGPT) and EY Canvas AI. EY.ai EYQ is built on a secure environment to help auditors perform rigorous research, assist in crafting essential

emails, and analyse client data with unprecedented speed and precision. Among its myriad features is the ability to upload and extract data directly from documents, generating rapid summaries which assist auditors in making decisions.



EY Canvas AI collates data from over 85,000 professionals across the globe and integrates the vast dataset to draw insights from EY Canvas and external data sources, enabling engagement teams to evaluate whether their audit strategy is appropriate and effective. For auditors, this means improved consistency and alignment with industry norms, ensuring thorough and reliable audit processes. These tools underscore the transformative potential of AI and GenAI in revolutionising the roles of accounting professionals, particularly in improving audit efficiency. “The goal here is not to replace auditors but to significantly enhance their productivity by streamlining fundamental tasks,” said Hoh.

GenAI tools do not just save time; they add a layer of sophistication to data analytics and numerical analysis that manual methods could never achieve. Dr KH Shum explained that with advancements such as the ability to integrate Python or use chat functionalities from tools like ChatGPT within Excel itself, accountants can process numbers and analyse data more comprehensively and swiftly. This integration does not only mean faster number crunching but also more insightful and strategic decision-making, leveraging the power of AI to turn raw data into actionable intelligence.

“From the perspective of a builder, we are seeing new capabilities of the tool in producing output that will transform how the profession works, particularly on document extraction for analysing purposes,” added Khalil.

Integrating GenAI and accountants

“While technology tools can handle the bulk of the workload, I believe we will still need the human touch to make the final judgement in interpreting the outcomes generated by GenAI,” said Hoh.

GenAI is not intended to replace accounting professionals. Instead, it supports them by enhancing the accuracy and efficiency of their work, thus improving their overall experience. “Your judgement, expertise, professionalism, experiences, integrity as well as instincts are very much needed in working together with GenAI,” added Professor Dr Rozainun.

“It is often claimed that GenAI will automate many jobs, but it is equally true that it will generate new opportunities as well. This shift necessitates new skills and continuous learning, reconfiguring the future landscape of the accountancy profession in Malaysia,” said Professor Dr David.

Accounting professionals will need to learn new skills as GenAI continues to evolve. According to Professor Dr David, experts estimate that 40% of core skills in all professions will change by 2030. This is a significant shift, highlighting the necessity for accountants to integrate seamlessly with machines. Working together with AI and all its subsets will be crucial in transforming the field, rather than eliminating human roles entirely.

On a similar note, the recent research conducted by the ASEAN Federation of Accountants (AFA) on Technology Adoption by the Accountancy Profession in ASEAN Countries found that many accounting schools have integrated emerging technologies, including GenAI, into their curricula or teaching delivery. “The awareness on the emerging technologies in the profession is there for the students; it is only a matter of whether they are able to adopt and adapt them when entering the workforce in the future,” explained Professor Dr Rozainun.

Way forward in embracing technology

To conclude the session, the panellists shared their recommendations in embracing technology and making the most of GenAI. One, have the right mindset; be able to adapt before adopting. Two, build a culture that embraces new technologies among your peers or in your organisation. Three, develop the right talent or skills that complement GenAI or any technology effectively. Four, explore and experiment with the various technologies available to find the right fit for your organisation.

How a Data Hub Approach Towards MyInvois Results in Greater Productivity, Operational Efficiencies

 at-mia.my/2024/09/26/how-a-data-hub-approach-towards-myinvois-results-in-greater-productivity-operational-efficiencies

September 26, 2024

The introduction of MyInvois, Malaysia's e-invoicing system, marks a significant shift towards digital compliance and operational excellence for businesses. This move is not just about adhering to new tax regulations but about seizing an opportunity to transform business processes for the better.

A key strategy in achieving this transformation is the integration of data hubs with the MyInvois system. This approach promises to elevate productivity and operational efficiencies significantly.

The Role of Data Hubs in Streamlining Operations

Data hubs serve as centralised repositories designed to consolidate and manage data from multiple sources. By integrating these hubs with MyInvois, businesses can create a seamless flow of accurate and real-time data across their operations.

This integration ensures that the data used for generating e-invoices is not only precise but also compliant with regulatory standards. The importance of data accuracy in invoicing cannot be overstated: It reduces errors, minimises the time spent on corrections, and ensures a smoother audit process.

Enhancing Compliance Through Automated Processes

Compliance is a major challenge for many businesses, particularly in the realms of finance and taxation. The data hub approach automates many aspects of the compliance process, especially in preparing and submitting invoices that meet the strict guidelines of MyInvois.

Automation here means fewer human errors and a reduced likelihood of penalties associated with non-compliance. Moreover, this automation extends beyond invoicing to other areas of regulatory compliance, making it a comprehensive solution.



Leveraging Data for Strategic Decision-Making

Beyond operational tasks, data hubs enable advanced data analytics. Businesses can leverage this capability to gain insights into market trends, customer behaviour, and internal processes. These insights can drive more informed decision-making, leading to strategic adjustments that enhance competitiveness and market responsiveness. For instance, data-driven insights can help a company optimise its inventory levels, reducing holding costs and preventing stockouts.

The Competitive Edge in a Data-Driven Marketplace

In today's data-driven economy, having quick access to reliable data gives businesses a distinct competitive advantage. A data hub integrated with MyInvois not only streamlines data management but also enhances data security, protecting against data breaches – a critical consideration in our increasingly digital world.

Conclusion

As Malaysia continues to advance our nation's Digital Economy, embracing technologies like MyInvois and data hubs is becoming essential. The integration of these technologies is not merely a compliance exercise but a strategic move that can define a business's future trajectory – and profitability.

Businesses that adopt this integrated approach will likely see significant gains in productivity and operational efficiency, placing them well ahead of competitors in both the local and global markets. By embracing the data hub approach, Malaysian businesses are setting themselves up not just for compliance, but for greater success and innovation in an interconnected digital world.

To learn more about how the BigLedger data hub platform can empower your teams, enhance your operations and enable your business to thrive in the era of MyInvois, please visit the [BigLedger website](#) for more information.

Article contributed by the BigLedger Team

Malaysia Insolvency Conference 2024: Beyond Tomorrow: Navigating the Restructuring and Insolvency Landscape

 at-mia.my/2024/10/04/malaysia-insolvency-conference-2024-beyond-tomorrow-navigating-the-restructuring-and-insolvency-landscape

October 4, 2024

The volatile business landscape and growing challenges to business resilience mean that the risk of insolvency and bankruptcy is omnipresent.

To mitigate this risk and support business continuity and economic well-being, the Malaysian Institute of Accountants (MIA) along with Jabatan Insolvency Malaysia, Insolvency Practitioners Association of Malaysia (iPAM), The Malaysian Institute of Certified Public Accountants (MICPA) and The International Women's Insolvency and Restructuring Confederation (IWIRC) prioritises the development of insolvency best practices and future-proofing of insolvency practitioners.

The Malaysia Insolvency Conference 2024 looks to empower practitioners and members towards ensuring their future relevance ***Beyond Tomorrow: Navigating the Restructuring and Insolvency Landscape***. The Conference focuses on the latest events in the insolvency space and highlights changing and impactful regulations, with guest of honour and legal expert YB Dato' Sri Azalina Dato' Othman Said, Minister in the Prime Minister's Department setting the tone with her keynote address. From the regulatory perspective, there will also be a presentation by the Malaysian Department of Insolvency on the *Enhanced Role of Liquidators: The Way Forward*.

Importantly, conference delegates will be familiarised with the Companies (Amendment) Act 2024 (CA Amendments), which reflects Malaysia's commitment to modernise and reinforce corporate rescue mechanisms towards fortifying business resilience.

The Conference will focus on the key changes brought about by the CA Amendments, including:

- Expanded Restraining Order(s);
- Wider and broader access to Judicial Management and Corporate Voluntary Arrangements for companies;
- Cross-class Cramdown in Scheme of Arrangements;
- Pre-Packed Scheme of Arrangements;
- Super Priority Rescue Financing; and
- Enhanced roles of Insolvency Practitioners.

The CA Amendments signal a marked shift from dissolution towards rehabilitation, necessitating that insolvency practitioners reinvent themselves to embrace this transformed and more sustainable approach. Practitioners must also prepare themselves for expected escalations in dispute and increased reliance on forensic work as the R&I space becomes more complex post CA Amendments.



A key strategy for practitioners will be to adopt technological advancements and align seamlessly with international standards to heighten their competencies and effectively ensure the long-term viability of businesses in Malaysia.

Leading speakers and authorities will be on hand at the Malaysia Insolvency Conference 2024 to guide practitioners and members on navigating the evolving R&I landscape via the following carefully curated sessions:

Navigating the New Waves: Key Changes and Implication of the Companies (Amendment) Act 2024

The Companies (Amendment) Act 2024 (Amendment Act) which came into force on 1 April 2024 enhances inter alia the existing provisions on schemes of arrangement and corporate rescue mechanisms in the Companies Act 2016 and introduces the new beneficial ownership reporting framework for companies. This discussion explores the myriad changes brought about within the judicial framework in Malaysia following the implementation of the Amendment Act, in particular, what insolvency practitioners in public practice can expect moving forward.

Navigating Cross-border Insolvency: Key Insights on the UNCITRAL Model Law

Malaysia is currently considering the adoption of the UNCITRAL Model Law on Cross-Border Insolvency (1997) (MLCBI or Model Law) which is designed to assist member States to equip their insolvency laws with a modern, harmonised and fair insolvency framework. Model Law adoptees would be able to more effectively address cross-border insolvency proceedings concerning debtors experiencing severe financial distress or insolvency. This

session focuses on the key objectives and achievements of the Model Law, the adoption and implementation of other instruments and cooperation protocols which extend across borders, and the potential opportunities emerging from the prospective Model Law adoption.

HYBRID CONFERENCE Conducted both in person and virtually

JOINTLY ORGANISED BY

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 IPAM INSTITUTE OF PROFESSIONAL ACCOUNTANTS OF MALAYSIA

 MICPA MALAYSIA

 IWIRC


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Malaysia Insolvency Conference 2024

Beyond Tomorrow: Navigating the Restructuring and Insolvency Landscape

14 October 2024 (Monday), 9.00 am - 5.00 pm
 Wyndham Grand Bangsar Kuala Lumpur



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 (Law and Constitutional Affairs)

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 (on total fee for 3 pax and above from the same organisation)
- **FAST PARTICIPANT DISCOUNT**
 (10% off normal rate)

WHO SHOULD ATTEND

- Insolvency Practitioners
- Insolvency Consultants
- Financial Advisors/Consultants
- Accountants
- Lawyers
- Bankers
- Regulators
- Company Secretaries

Following the landmark enactment of the Companies Act 2016 (CA 2016), professionals working in the restructuring and insolvency (R&I) space can expect further disruptions with the Companies (Amendment) Act 2024 (CA Amendments). Reflecting Malaysia's commitment to modernise and reinforce corporate rescue mechanisms, the CA Amendments will introduce key changes including:

- Expanded Restraining Order(s);
- Wider and broader access to Judicial Management and Corporate Voluntary Arrangements for companies;
- Cross-class Crandown in Scheme of Arrangements;
- Pre-Packaged Scheme of Arrangements;
- Super Priority Rescue Financing; and
- Enhanced roles of Insolvency Practitioners.

The CA Amendments signal a marked shift from dissolution towards rehabilitation and portends a significant evolution of Insolvency practitioners today, tomorrow, and beyond tomorrow. In addition, as the R&I space becomes more complex, disputes as well as the importance of forensic work are expected to escalate.

Adopting technological advancements and sustainable practices in insolvency management to align with international standards are a must if R&I professionals are to improve their resilience and effectively ensure the long-term viability of businesses in Malaysia.

The flagship annual Malaysia Insolvency Conference 2024 brings together top speakers and authorities to discuss the changes in the R&I landscape, with an emphasis on recent amendments to the CA 2016 and their impacts.

Unveiling Hidden Fortune and Wealth: Strategies for Tracing and Recovering Digital and Specialised Assets

Recent years have seen a spate of high-profile insolvencies in the cryptocurrency industry (i.e. Three Arrows Capital, FTX, Babel etc.) as well as the rising use of digital assets as a mechanism to facilitate cross border fraud. This session focuses on critical practical issues for insolvency practitioners in identifying and securing control of these digital assets (i.e. accessing private keys and locating cold wallets), while amplifying the risk of a deliberate

misappropriation of assets. The expert speakers will also recommend mitigation strategies and share key takeaways from various recent cases involving digital assets by neighbouring jurisdictions.

Expert Insights Into Global Macro Insolvency Trends and Potential Reforms in the Insolvency Regime

In the concluding discussion, practitioners will be briefed on global macro insolvency trends and potential regime reforms that could address emerging challenges in the insolvency landscape and chart the way forward.

To sign up for the Malaysia Insolvency Conference 2024, please [visit here](#).

MIA Sustainability, Digital Economy and Reporting Insights (July – September 2024)

at-mia.my/2024/10/29/mia-sustainability-digital-economy-and-reporting-insights-july-september-2024

October 29, 2024

The MIA Sustainability, Digital Economy and Reporting Insights provides quarterly updates on the areas of sustainability, digital economy, tax, reporting and research. The Insights highlights contents and initiatives that are of high value to MIA members.

Sustainability Blueprint Roadmap Development

Following the launch of the MIA Sustainability Blueprint for the Accountancy Profession (the Blueprint) in June 2024, the development of a sustainability roadmap is now underway to operationalise the Blueprint. This involves fifteen MIA Committees working together towards developing sustainability related initiatives that align with the sustainability aspirations and guiding principles outlined in the Blueprint. The exercise was kicked off with briefing sessions to the committee members. The committees will be developing their respective roadmap for submission to the Sustainability Committee in the next quarter.

The ongoing development of the sustainability roadmap is crucial towards achieving the MIA Sustainability Agenda. Our proactive engagement with the MIA Committees and their commitment to this exercise are testament of our dedication to ensure the future relevancy of the profession.



Digital Technology Adoption Awards (DTAA)

MIA marked a significant milestone by celebrating its inaugural Digital Technology Adoption Awards (DTAA), a programme dedicated to showcasing excellence in digital transformation within the accountancy profession. Introduced in 2023, the objectives of the awards are:

- To promote the need for digital technology adoption by sharing success stories across the accounting profession
- To raise awareness on how accountants can contribute to businesses and economy through digital technology adoption
- To recognise digital technology adoption efforts



Watch Video At: <https://youtu.be/KT1rhVEZjEs>

The DTAA Presentation Ceremony held on 15 May 2024 at the Malaysia International Trade and Exhibition Centre (MITEC), transformed the venue into a hub of recognition for the fourteen deserving winners across various categories. The event was further elevated by the esteemed presence of Yang Berhormat Puan Lim Hui Ying, Deputy Minister of Finance, who highlighted the critical importance of digital technology adoption within the accounting sector. Catch the video highlights of the prestigious night [here](#) and find out more on the DTAA [here](#)!

The Rise of IT Audit in The Digital Era

As technology reshapes business landscapes, IT audit has evolved into a critical safeguard against risks, ensuring compliance and data integrity. Explore the article highlighting insights from industry leaders Steven Chong, Member of MIA Digital Technology Implementation Committee (DTIC); Eddie Leng, Founder and Director of ALE Advisory Sdn Bhd; and Sia

Chin Hoe, Audit Partner and Head of IT Audit, KPMG Malaysia from a webinar titled “Exploring IT Audit: Empowering Auditors for the Digital Era” during the MIA Digital Month 2024.

Curious about the key takeaways from the session? [Read here](#) to discover why IT audits are no longer just a checkbox but a strategic asset vital for sustainable growth.

GenAI in The Accountancy Profession

How is Generative Artificial Intelligence (GenAI) reshaping the role of accountants?

Discover the insights from one of the panel sessions for the MIA Digital Month 2024, “Navigating Tomorrow: GenAI in The Accountancy Profession”. Moderated by Professor Dr David Asirvatham, the session featured industry leaders; Hoh Yoon Hoong, Partner and EY ASEAN Assurance Digital Leader, Ernst & Young PLT; Dr Kam Hong Shum, Founding Member, LedgerBrains AI Consortium; Khalil Nooh, Co-founder and CEO, Mesolitica and Professor Dr Rozainun Abdul Aziz, President, ASEAN Accounting Education Workgroup (AAEW) who highlighted the transformative impact of GenAI in the accountancy profession.



“It is often claimed that GenAI will automate many jobs, but it is equally true that it will generate new opportunities as well. This shift necessitates new skills and continuous learning, reconfiguring the future landscape of the accountancy profession in Malaysia,” said Professor Dr David during the webinar.

Find out more about GenAI in the profession and check out the session highlights [here](#)!

Complimentary Webinar – Navigating Malaysia’s Indirect Tax Landscape: Latest Updates and Implications

A complimentary tax webinar was held on 26 July 2024, with 353 members in attendance. The webinar featured two sessions: a presentation on the latest developments in indirect tax and a panel discussion.

Session 1: Presentation on Latest Developments in Indirect Tax

Presented by Ng Sue Lynn, Executive Director of Indirect Tax at KPMG Malaysia, this session focused on the recent expansion of the service tax scope, particularly highlighting newly taxable services such as maintenance and repair services. Ms. Ng also provided key updates on current legislation, policies, and compliance requirements, ensuring participants were well-informed about the latest regulatory changes in service tax.

Session 2: Panel Discussion

Moderated by Rasmimi Ramli, Executive Director of Sustainability, Digital Economy and Reporting Division at MIA, the panel discussion featured Ng Sue Lynn and Chandran T.S. Ramasamy, Tax Director at Deloitte Tax Services Sdn Bhd and member of the MIA Taxation Practice Committee. The panellists shared their experiences and insights on the current regulatory framework, exploring the challenges faced by taxpayers in meeting compliance requirements. The discussion provided practical insights, helping participants gaining deeper understanding of the evolving tax landscape and its impact on businesses.



Meetings with the Secretary General of Treasury of the MoF

Focus Group Discussion Session on Taxation for Budget 2025

MIA participated in a focus group discussion with YBhg Datuk Johan Mahmood Merican, the Secretary General of Treasury of the Ministry of Finance (MoF) on Taxation for Budget 2025 in September 2024. MIA Executive Director, SDER, Rasmimi Ramli, provided clarification on the recommendations that MIA and MICPA submitted for the 2025 Budget Consultation.

Discussion on the Implementation of E-Invoicing

In July 2024, MIA was invited by the MoF to provide an update on the implementation status and any issues related to the implementation of e-Invoicing that needed to be discussed in the above meeting. Surin Segaran (member of Taxation Practice Committee) shared insights and challenges from a commercial perspective on the implementation of e-Invoicing.

Joint Memorandum for Budget Consultation 2025

In July 2024, MIA submitted the Joint Memorandum for Budget Consultation 2025 to the MoF. There were 85 proposals in total, including both new and ongoing proposals. Four new proposals included expanding the individual tax band, reviewing personal reliefs for individuals, tax deductions for community service, and scholarship expenses (i.e., extending the current deductions to cover assistance for all levels of education and increasing the amount of monthly parental or guardian income up to the middle income).

Tee Off for a Purpose: MAREF Charity Golf Tournament 2024

Malaysian Accountancy Research and Education Foundation (MAREF) will host its Charity Golf Tournament on **16 November 2024** (Saturday) at Tasik Puteri Golf & Country Club in Rawang, Selangor. Introduced in 2023, the Tournament successfully promoted MAREF's work as well as raised funds to continue meeting MAREF's objectives. To participate in MAREF Charity Golf Tournament 2024, please [click here](#) to register and [click here](#) to view the available donation packages. Find out more about the tournament [here](#)!

Organised by Supported by



MAREF CHARITY GOLF TOURNAMENT 2024



16 NOVEMBER 2024, SATURDAY



TASIK PUTERI GOLF & COUNTRY CLUB, RAWANG



GREEN FEE + CADDY + BUGGY



BREAKFAST AND LUNCH



COMPLIMENTARY T-SHIRT



ATTRACTIVE PRIZES

PROGRAMME

6:45 AM	Registration and breakfast
7:45 AM	Group photoshoot
8:00 AM	Tee-off time
1:00 PM	Luncheon and prize giving ceremony
2:30 PM	End

FORMAT OF PLAY

Stableford System 36 i.e based upon handicap of the day

NOVELTY

Nearest to The Line, Longest Drive, Nearest to The Pin, Hole-In-One



REGISTER NOW!



<https://shorturl.at/X6P2K>

DONATION PACKAGES



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MAREF is an approved organisation under Section 44(6) of the Income Tax Act 1967, which regards any monetary donation towards MAREF as tax deductible.

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Navigating e-invoicing for SMEs

 at-mia.my/2024/10/10/navigating-e-invoicing-for-smes

October 10, 2024

By Koren Wines

With the commencement of Malaysia's national e-invoicing initiative, small and medium-sized businesses (SMEs) nationwide are seeking to better understand its requirements and how to get started with digital solutions.

The Inland Revenue Board of Malaysia (IRBM) announced that from August, e-invoicing will be mandatory for taxpayers engaged in commercial activities with annual revenues exceeding RM100mil.

This mandate will extend to those with a RM25mil to RM100mil annual turnover from 1 January 2025 and all taxpayers engaged in commercial activities from 1 July 2025.

While the IRBM has granted a six-month relaxation period for each deadline, now is the time for SME leaders to learn about e-invoicing and how to integrate digital solutions into their workflows.

The benefits of e-invoicing

A common misconception is that e-invoicing refers to simply replacing paper invoices with electronic ones. The textbook explanation of e-invoicing is an integrated solution that automates sending, receiving and processing digital invoices via a secure, shared, interoperable network, directly from one accounting software platform to another.



Because e-invoices are generated within the sender's accounting software and are subsequently received directly by the recipient's accounting platform, regardless of the platform used, this can improve efficiencies by addressing common pain points associated with traditional invoicing, such as loss and potential fraud.

Most significantly, e-invoicing alleviates cash flow issues by speeding up the invoicing process, reducing errors, and ensuring faster approval and payment. With a quicker receipt of funds, businesses are better equipped to maintain steady cash flow, cover operational costs promptly and invest in growth without delays.

E-invoicing also facilitates easier compliance with tax regulations. With e-invoicing, transaction data is automatically captured and stored, ensuring that all necessary information is correctly recorded and readily accessible. As a result, generating tax reports and filings becomes significantly more efficient and simplified.

Security is another benefit of e-invoicing. E-invoicing in Malaysia operates through the transmission of standardised structured data governed by the Peppol framework, under the oversight of the Malaysia Digital Economy Corporation (MDEC). The Peppol network enables the secure and efficient exchange of electronic documents, protecting them from potential cyberattacks.



Strategic steps toward e-invoicing readiness

To prepare for the upcoming mandate, businesses should explore how digital solutions can support their success.

Adopting a reputable and secure cloud accounting platform is a crucial first step. Such solutions increase operational efficiencies and productivity by automating tasks, reducing errors and streamlining workflows. Seamless connectivity with other business tools additionally enables better data management, real-time access to information, enhanced communication and collaboration, along with insights for better decision-making. Choosing a platform with e-invoicing capabilities will also facilitate tax compliance once the national e-invoicing mandate is rolled out.

By preparing early and implementing digital solutions, Malaysian businesses can transition smoothly to e-invoicing, while simultaneously improving their operational efficiencies and financial management.

Koren Wines is Managing Director of Xero Asia

Navigating the New AMLA Compliance Requirements for Designated Non-Financial Businesses and Professions

at-mia.my/2024/10/22/navigating-the-new-aml-compliance-requirements-for-designated-non-financial-businesses-and-professions

October 22, 2024

Staying abreast of financial regulations is crucial for Designated Non-Financial Businesses and Professions (DNFBPs). On 5 February 2024, Bank Negara Malaysia updated the DNFBP AML Policy effective 6 February 2024. These updates align with Financial Action Task Force (FATF) standards, expand coverage for proliferation financing, broaden institutional risk assessment and compliance programmes, and introduce a group-wide programme for enhancing the nation's anti-money laundering and counter-terrorism financing framework.

Key Updates on DNFBP AMLA Policy and Regulations

1. Expanded Scope for Financial Institutions

- The policy document now includes provisions for Anti-Money Laundering (AML), Countering Financing of Terrorism (CFT), **Countering Proliferation Financing (CPF)**, and Targeted Financial Sanctions (TFS) for financial institutions.
- Reporting institutions must assess **proliferation financing (PF)** risks and implement appropriate mitigation measures to prevent abuse by designated individuals and entities.

2. Reporting Institutions' Gazetted Activities

- **Accountants:** Must comply when engaging in activities such as buying/selling property, managing client funds, and creating or managing legal entities.
- **Company Secretaries:** Obligations include acting as formation agents for legal entities and providing registered office services.
- **Lawyers:** Must follow regulations when involved in property transactions, managing client funds, and managing legal entities.



3. Definitions for Ownership, Risk Verification, DNFBP, and NRA

- **Accurate Information:** Verification of beneficial owner information using reliable, independently sourced documents. The extent of verification varies based on the risk level.
- **Beneficial Owner:** The natural person who ultimately owns or controls a customer, including indirect control through legal arrangements. This includes control exercised through a chain of ownership or other indirect means.
- **DNFBP Group:** A parent company in Malaysia or any legal entity controlling and coordinating its branches or subsidiaries, all adhering to group-level AML/CFT policies and procedures.
- **National Risk Assessment (NRA):** Includes sectoral, thematic, and emerging risk assessments.

4. Institutional PF Risk Assessment and Risk Mitigation Requirements

- Institutions must identify, assess, and understand PF risks in relation to their business's nature, size, and complexity.
- Institutions should document PF risk assessments, keep them updated, and provide information to supervisory authorities.
- Institutions must implement policies, procedures, and controls to manage PF risks.
- Enhanced controls are required for higher PF risks, ensuring full implementation of targeted financial sanctions.



5. Introduction of DNFBP Group and Group-Wide Programme

A vertical structure has been introduced between the parent company/head office and subsidiaries/branches. Reporting institutions that act as a parent company or head office for another reporting institution are now required to implement the following measures:

- Establish a framework for AML/CFT/CPF compliance programmes at the group level.
- Appoint a Group Compliance Officer at the management level.
- Develop policies and procedures for sharing information required for customer due diligence (CDD) and ML/TF/PF risk management.
- Ensure the provision of customer, account, and transaction information from branches and subsidiaries when necessary for AML/CFT/CPF purposes.
- Implement safeguards on the confidentiality and use of exchanged information.

These updates reflect Bank Negara Malaysia's commitment to strengthening the financial system against evolving threats. Staying informed and compliant with these regulations is essential for professionals in the non-financial sector.

Article contributed by Ingenique Malaysia.

Revision of Practice Review (PR) Framework Effective 1 July 2024: Options and Steps Available for Type 3 Audit Firms Under the Transition Period

 at-mia.my/2024/09/02/revision-of-practice-review-pr-framework-effective-1-july-2024-options-and-steps-available-for-type-3-audit-firms-under-the-transition-period

September 2, 2024

By MIA Practice Review Team

The Council of the Malaysian Institute of Accountants (MIA) has introduced significant amendments to its practice review framework, aimed at enhancing the quality and accountability of audit practices. These changes, approved on September 14, 2023, involve revisions to Section B250 Quality Assurance and Practice Review and Appendix VI – Statement on Practice Review. The updated MIA By-Laws have taken effect since 1 July 2024.

For further details on the revision of the PR framework, the firm can refer to the following two (2) articles that are available from the MIA website:

1. Effective date of revised Practice Review Framework 1 July 2024;
2. Frequently Asked Questions (FAQs) on the Peer Review Process under the Practice Review Committee (PRC)'s Order for Type 3 Firms

Key Changes and Options for Audit Firms which are under transitional period

Audit firms rated Type 3 that commenced practice reviews under the previous framework and received their rating after 30 June 2024 will have the option to be reviewed under the revised Practice Review Framework or continue with the previous framework.

Option 1: Elect to transition to the revised PR framework

Audit firms that elect to the transition to the revised PR framework should note the following requirements:

1. Extended Submission Period for Remedial Action Plan (RAP)

The RAP will no longer require the PRC's approval and the submission period for the RAP and its implementation status is extended from three (3) months to twenty-four (24) months, to be submitted annually.

The 1st RAP submission will be due twelve (12) months from 1 July 2024.

2. The need to engage a Peer Reviewer to undergo the RAP

During the transition period, the PRC implemented Order 3A mandating audit firms to appoint a peer reviewer. Firms must provide the chosen peer reviewer's details for PRC approval within two (2) months from the date of acknowledgement of the firm's option. The audit firm must have a minimum of three (3) audit engagements reviewed by the approved peer reviewer post signing the audited financial statements.

The peer review exercise needs to be concluded within twenty-four (24) months, with the submission of the peer review report upon completion.

3. Subsequent Review

A fresh subsequent review by the Practice Review Department (PRD) will be conducted after twenty-four (24) months.

If the subsequent review indicates that the audit firm has not rectified the issues, the Institute will lodge a complaint with the Registrar.

Option 2: Continue under the previous PR framework

Audit firms choosing to continue under the previous framework will be subject to a monitoring review conducted by the Practice Review Department. This process enables firms to continue with their existing practice review protocols without the additional requirements imposed by the revised framework.

Steps to Take Upon Receiving the Option Letter

Upon receiving the option letter from MIA, audit firms should follow these steps:

Carefully review the details of both the revised and previous practice review frameworks to understand the implications and requirements of each option.

Internal Discussion: Discuss internally with relevant stakeholders, including senior management and the audit team, to determine which option aligns best with the firm's capabilities and strategic goals.

Decision-Making: Decide whether to adopt the revised framework or to be reviewed under the previous framework. Consider the long-term benefits and challenges of each option.

Informing Practice Review Department (PRD): Communicate your decision to PRD within the stipulated time frame. Ensure that the response is clear and adheres to any specific instructions provided in the option letter.

Comparison of the Previous PR Framework Vs the Revised PR Framework

Previous PR Framework	<p>Submission of RAP within one (1) month after date of final report for PRC to approve.</p> <p style="text-align: center;">V</p>	<p>To conduct monitoring review three (3) months after approval of RAP by PRC.</p> <p style="text-align: center;">V</p>	<p>Where the monitoring review shows the audit firm failed to implement RAP satisfactorily, PRC can lodge a Complaint with the Registrar.</p> <p style="text-align: center;">V</p>
Revised PR Framework <i>(Effective 1 July 2024)</i>	<p>No approval of RAP will be required by the PRC.</p> <p>Nevertheless, audit firms are required to submit RAP annually for a period of 24 months, the 1st RAP to be submitted within twelve (12) months from the date of final report.</p>	<p>Order 3A or Order 3B will be imposed by the PRC with certain conditions to be adhered to during the twenty-four (24) months rectification period.</p> <p>For Order 3A, the firms are required to engage a peer reviewer during the twenty-four (24) months rectification process. The chosen peer reviewer's details need to be submitted for PRC approval within two (2) months from the date of acknowledgement of the option letter.</p>	<p>A fresh subsequent review will be conducted for firms receiving a Type 3 rating.</p> <p>If the subsequent review indicates that the audit firm has not rectified the issues, the Institute will lodge a complaint with the Registrar.</p>

Conclusion

Audit firms should thoroughly evaluate the available option that best matches their capabilities and strategic objectives. Should the firms need to gain further insights and guidance, audit firms are advised to engage with the PRD for clarification and support in navigating the new requirements effectively and/or refer to the MIA By-Laws that can be accessed from the MIA website. By staying abreast and seeking assistance where needed, audit firms can proactively align their practices with prevailing professional standards, ensuring robust compliance and operational excellence.

Tee Off for a Purpose: MAREF Charity Golf Tournament 2024

 at-mia.my/2024/09/19/tee-off-for-a-purpose-maref-charity-golf-tournament-2024

September 19, 2024

Established by the Malaysian Institute of Accountants (MIA), the Malaysian Accountancy Research Education Foundation (MAREF) is focused on advancing the field of accountancy through research and education in Malaysia. MAREF's core activities include funding research projects and MAREF plays a crucial role in bridging the gap between academic research and practical application.

In 2018, the Priority Research Topics (PRTs) Programme was introduced to drive the commissioning of research funded by MAREF Research Grants. These Grants are intended to encourage and support relevant, timely and applied accounting research. This involves identifying pertinent issues in the accounting profession and developing solutions to address those issues. To view previously published research under PRT, kindly [click here](#).

In the future, MAREF aims to coordinate upcoming iterations of the PRT Programme with the goal of enhancing research and education for the profession's continued growth. To achieve this, MAREF is actively engaged in fundraising efforts.

MAREF will be organising the **MAREF Charity Golf Tournament 2024**, a fundraising event scheduled to take place on Saturday, 16 November 2024 at Tasik Puteri Golf & Country Club located in Rawang, Selangor. Introduced in 2023, the inaugural Tournament was a success in promoting the work of MAREF as well as raising funds to continue meeting MAREF's objectives. [Click here](#) for more information on the 2023 Tournament.

We would like to invite you and your esteemed organisation to be part of MAREF Charity Golf Tournament 2024. A range of donation packages is available [here](#). Kindly register your participation [here](#) by **25 October 2024 (Friday)**. The contributions will not only promote the success of the event but will also assist MAREF to reach its fundraising goal. *Contributions are eligible for tax deductions as MAREF is an approved organisation under Section 44(6) of the Income Tax Act 1967.*

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MAREF CHARITY GOLF TOURNAMENT 2024



16 NOVEMBER 2024, SATURDAY



TASIK PUTERI GOLF & COUNTRY CLUB, RAWANG



GREEN FEE + CADDY + BUGGY



BREAKFAST AND LUNCH



COMPLIMENTARY T-SHIRT



ATTRACTIVE PRIZES



PROGRAMME

- 6:45 AM Registration and breakfast
- 7:45 AM Group photoshoot
- 8:00 AM Tee-off time
- 1:00 PM Luncheon and prize giving ceremony
- 2:30 PM End

FORMAT OF PLAY

Stableford System 36 i.e based upon handicap of the day

NOVELTY

Nearest to The Line, Longest Drive, Nearest to The Pin, Hole-In-One

REGISTER NOW!



<https://shorturl.at/X6P2K>

DONATION PACKAGES



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The Rise of IT Audit in the Digital Era

 at-mia.my/2024/09/11/the-rise-of-it-audits-in-the-digital-era

September 11, 2024

By *MIA Sustainability, Digital Economy and Reporting Team*

IT audit is not just a necessity but a strategic asset for any business aiming for sustainable growth and resilience

What exactly is IT audit, and why is it becoming so crucial in today's digital landscape?

In a world that is continually evolving with advanced technologies and digital solutions, the role of auditors is more significant than ever before. IT audit ensures that organisations comply with regulations but are also secure and efficient in their digital operations.

The first complimentary webinar of MIA Digital Month 2024 focused on the topic of **Exploring IT Audit: Empowering Auditors for the Digital Era**. The session was moderated by Steven Chong, Member of the MIA Digital Technology Implementation Committee (DTIC), who was joined by Eddie Leng, Founder and Director of ALE Advisory Sdn Bhd and Sia Chin Hoe, Audit Partner and Head of IT Audit, KPMG Malaysia.



Key Takeaways

As businesses rely more heavily on technology, understanding IT systems and controls is essential in safeguarding against risks and ensuring data integrity. "IT audit has evolved significantly over the last decade. Traditionally, it was often misunderstood as simply

installing audit software or handling basic IT-related checks. Today, it encompasses a broader and more sophisticated scope, critical for ensuring that an organisation's IT system is robust, secure, and in line with regulatory requirements," said Steven.

As noted by the panel, IT audits can be carried out in-house or by external auditors with expertise in IT. With the emergence of advanced technologies, the role of IT auditors has expanded. They must now possess a deep understanding of complex IT environments such as cloud computing, data analytics, and cybersecurity protocols. This level of expertise allows them to identify potential vulnerabilities and recommend solutions that not only protect but also enhance the organisation's technological infrastructure.



To grasp the significant role of IT auditors, it is crucial to first understand what IT auditing entails. According to ISACA, a global professional association and learning organisation in the digital trust field, the term "IT audit" traditionally suggests certain familiar procedures such as ensuring the functionality and integrity of an entity's tools, systems and networks; testing and monitoring the security of IT systems against intrusion or misappropriation; and providing assurance around the compliance of IT activities with relevant enterprise policies, industry best practices and government laws and regulations.¹

However, the archetype of IT audit is changing. As society in general becomes more data driven and organisations increasingly look to leverage data to power processes, inform business decisions and generate value, IT audit must, in turn, provide

business leaders with more timely and actionable risk assessments and input for effective governance of data and other IT assets.²

"For instance, many organisations have adopted cloud technology. How does it work exactly? What controls and risks are involved when using this technology? These are areas that IT auditors need to clearly understand and be an expert in," explained Eddie.

According to Sia, many, if not all organisations depend on IT systems for their financial reporting process nowadays. Thus, auditors must verify that these systems are providing accurate and reliable information. “IT audit is a crucial part of the financial audit. Companies that are using IT systems for their financial reporting process should perform IT audit on their system. This process involves evaluating both manual and automated IT controls. IT auditors need to evaluate the adequacy and appropriateness of the design and implementation of these controls, and to test the effectiveness of their operations to ensure that the information within the IT systems is reliable, complete and accurate,” explained Sia.

“In practice, IT audits can cover a wide array of areas. A common type is a general IT controls audit, often performed for external audit clients. This involves reviewing overall IT governance; confidentiality, integrity, and availability of data integrity; and system security controls. Another critical area is cybersecurity audits. Given the ever-increasing cyber threats, these audits examine an organisation’s defence against hacks and breaches,” said Eddie.



An emerging area is auditing systems that utilise artificial intelligence (AI). “With AI becoming integral to many business processes, IT auditors need to assess how AI solutions are implemented and controlled. This involves looking at the AI algorithms, their decision-making processes, and how they fit within the broader IT control environment. By staying ahead of these trends, IT auditors ensure that organisations do not only meet current standards but are also prepared for future challenges,” added Eddie.

It is crucial for an organisation embarking on adopting a new technology to also set up the controls that are adequate for their environment. “Controls should start from day one. Business owners or C-suite levels in an organisation should identify the risk of any new system and develop controls for proper implementation,” said Sia.

Empowering auditors for IT audits

An IT auditor does not need to come from an IT background. While a basic understanding of IT is helpful, many IT auditors have accounting or other non-IT backgrounds.

However, it is essential to possess a basic understanding of IT systems, which will be helpful in the role of an IT auditor. IT audits go beyond merely assessing IT internal controls. They evaluate all facets of IT risk – security, change controls, and operational issues, among others. “Among the many challenges currently faced by an auditor is that we might not be updated with the audit process of any latest development in technology, such as AI. Typically, an auditor needs to communicate with various stakeholders in obtaining information and understanding it clearly. With technological advancements, how would an IT auditor audit a company that uses an AI system? How do we talk and get information from AI?” pondered Sia.

Both Eddie and Steven shared that through available certifications and resources, IT auditors will be empowered with the necessary expertise to navigate the complex landscape of digital audits. These certifications will ensure that professionals are equipped to handle the nuances of IT governance, cybersecurity, and other related areas effectively.

IT audits are indispensable for businesses in today’s digital age. Understanding and performing IT audits can significantly bolster your organisation’s integrity and trustworthiness. So, embrace IT audits – they are not just a necessity but a strategic asset for any business aiming for sustainable growth and resilience.

1 “IT Audit: A look ahead”, 31 December 2021; <https://www.isaca.org/resources/isaca-journal/issues/2022/volume-1/it-audit-a-look-ahead>

² Ibid.