



# OVERVIEW

Financial failures and corporate scandals in the last decade, all due to poor governance have made it an economic imperative to restore public trust and confidence. The Companies (Amendment) Act 2007 has reinforced the need for increased accountability, transparency, better due diligence and enhanced oversight.

The new section 167A of the Companies Act 1965 places the onus on the directors of a public company or a subsidiary of a public company to have a system of internal control in place that will provide a reasonable assurance that the assets of the companies are safeguarded and the financial reporting are reliable and accurate.

Whilst for private companies, the new section 131B calls for internal control in the form of empowering the Board with managerial and supervisory functions over the business and affairs of companies in safeguarding its assets and ensuring the integrity of reporting and control systems. The Board's supervisory function is specifically to promote the interests of the company for it to remain in business and prosper as well as representing the needs and common interests of its shareholders and other stakeholders.

Suruhanjaya Syarikat Malaysia (SSM) and The Institute of Internal Auditors Malaysia (IIA Malaysia) collaboratively developed this programme to enhance the understanding of internal control among directors.

At the end of this seminar, participants will be able to:

- Understand the Companies (Amendment) Act 2007 in relation to internal control and related provisions to enhance control in an organisation.
- Increase overall awareness and understanding of internal control throughout the organisation.
- Explain the role of internal control in mitigating risk and achieving organisational objectives.
- Impress upon all the ownership and accountability for internal control.
- Design and implement an effective system of internal control throughout the organisation.

# ABOUT

## THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

IIA Malaysia is a non-profit professional organisation dedicated to the advancement and the development of the internal audit profession in Malaysia. IIA Malaysia was established in 1977 as a Chapter of The Institute of Internal Auditors Inc. (Global IIA) and elevated to the status of a National Institute in 1988 when the membership exceeded the 500 mark. In July 1994, IIA Malaysia was incorporated as a Company Limited by Guarantee and since then, has grown in size and stature and currently serves more than 3000 members in Malaysia. IIA Malaysia is affiliated to The Institute of Internal Auditors Inc. (Global IIA), a worldwide body with more than 150 000 members in over 165 countries and territories.

## SURUHANJAYA SYARIKAT MALAYSIA

Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia) is a statutory body which regulates companies and businesses in Malaysia pursuant to the Companies Commission of Malaysia Act 2001. Apart from being a corporate regulator, SSM also serves as an agency to incorporate companies and register businesses as well as to provide company and business information to the public. In its mission to instil good corporate governance through continuous education and effective surveillance and enforcement, the Companies Commission of Malaysia Training Academy (COMTRAC) was established in April 2007. To know more of SSM and COMTRAC's training programmes, please visit the website at [www.ssm.com.my](http://www.ssm.com.my).

# SEMINAR OUTLINE

8.30 am Registration of Participants

9.00 am **MODULE 1:  
COMPANIES (AMENDMENT) ACT 2007**

- Key Amendments to the Companies (Amendment) Act 2007 Relating to Internal Control
  - Requirement to Establish a System of Internal Control for Public Companies and Their Subsidiaries (S167A)
  - Functions and Powers of the Board (S131B(1) and (2)) - supervisory and oversight powers of the Board
  - Disclosure of Directors' Interests and Abstention from Voting in Contracts (5131 (7A) and 131A)
  - Changes Affecting Duties and Liabilities of Officers (S132)
  - Changes Affecting Auditors of Public Companies (S172A and 174 (8A)(8B)(8C))
  - Statutory Derivative Action (S181A - 181E)
  - Protection for "Whistleblower" (S368B)
  - Injunction (S368A)

**Speaker:**  
**Representative of SSM**

10.45 am Coffee / Tea Break

11.00 am **MODULE 2:  
DEFINING INTERNAL CONTROL**

- Definition of Internal Control
- Categories of Internal Control
- The Internal Control Framework – COSO, CoCo and Turnbull
- Guiding Principles on Internal Control System for Small and Medium Sized Entities
- Components of Internal Control
- Internal Control Components and their Factors
- Hard and Soft Controls

**MODULE 3:  
RESPONSIBILITY FOR CONTROL**

- Roles and Responsibilities for Control
- Limitation of Control
- Control Reality

**MODULE 4:  
UNDERSTANDING CONTROL SPECIFICS**

- Control Categories – Preventive, Detective, Corrective
- Range of Control Activities
- Specific Control Activities

12.30 pm Lunch Break

1.30 pm **MODULE 5:  
DESIGNING CONTROLS TO MITIGATE RISK**

- Risk Assessment Process
- Linking Organisations Objectives to Risk
- Identifying and Assessing the Key Risks
- Managing Risks
- Balancing Risk and Controls

**MODULE 6:  
BUILDING CONTROLS TO PREVENT FRAUD**

- Understanding Fraud, Fraudster and Fraud Risk Factor
- Common "Red Flag" of Fraud
- Fraud Prevention, Deterrence and Detection Programme

3.30 pm Coffee / Tea Break

4.00 pm **MODULE 7:  
DESIGNING AND IMPLEMENTING THE SYSTEM OF INTERNAL CONTROL**

- Putting It All Together
- Evaluating the System of Internal Control

**Speaker:**  
**Mr Steven Yee** CMIIA, CPA

5.00 pm End of Seminar