

# PART THREE STATISTICS AND OTHERS



## REGISTRATION AND RECOGNITION OF AUDITORS IN MALAYSIA

Table 1

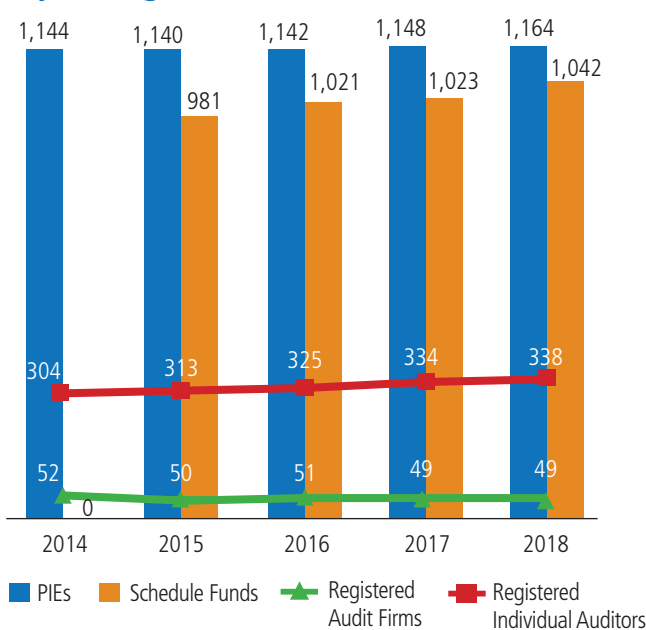
Registered and recognised auditors as at 31 December 2018

Profile of audit firm	No. of audit firm	No. of individual auditors	No. of PIE audit clients	% of total market capitalisation	No. of schedule fund audit clients	% of total net asset value
<b>Registered audit firms</b>						
Partnerships with 10 and more audit partners	9	216	969	96.09	1,007	98.43
Partnerships with 5 – 9 audit partners	15	59	111	0.80	9	0.04
Partnerships with fewer than 5 audit partners	25	63	84	3.07	26	1.53
	<b>49</b>	<b>338</b>	<b>1,164</b>	<b>99.96</b>	<b>1,042</b>	<b>100.00</b>
<b>Recognised foreign audit firms</b>						
	3	9	7	0.04	-	-
<b>TOTAL</b>	<b>52</b>	<b>347</b>	<b>1,171</b>	<b>100.00</b>	<b>1,042</b>	<b>100.00</b>

Source: AOB

Chart 1

5-year registration statistics

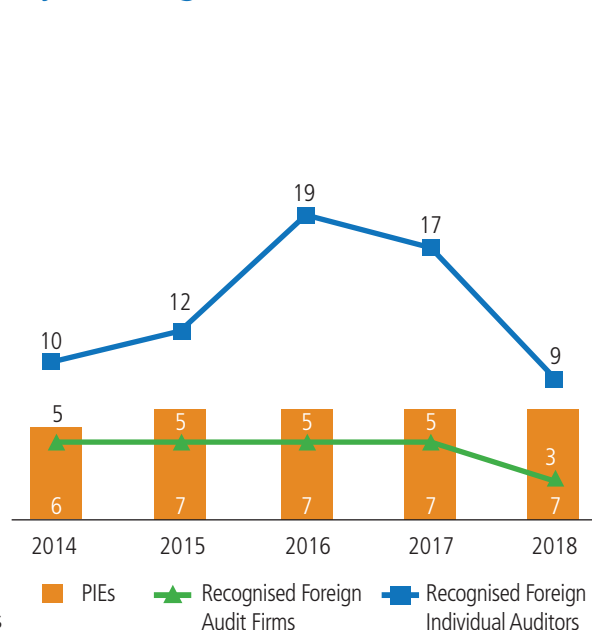


Note: Auditors of schedule funds are subject to the AOB's registration regime with effect from 15 September 2015.

Source: AOB

Chart 2

5-year recognition statistics



Source: AOB

## ENFORCEMENT ACTIONS

No.	Auditors	Action taken
<b>Failure to remain fit and proper in accordance with Section 31P of the SCMA</b>		
1.	Tan Chin Huat of STYL Associates.	1. Registration revoked by the AOB.
<b>Failure to comply with a Notice issued under Section 152 of the SCMA</b>		
2.	RT LLP, auditor of a foreign incorporated corporation listed on Bursa Malaysia for the financial years ended 31 December 2015 and 31 December 2016.	1. Recognition withdrawn by the AOB.
3.	Su Chun Keat of RT LLP, engagement partner in the audit of a foreign incorporated corporation listed on Bursa Malaysia for the financial years ended 31 December 2015 and 31 December 2016.	1. Recognition withdrawn by the AOB.
<b>Failure to comply with the requirements of ISQC 1</b>		
4.	McMillan Woods Mea, auditor for a PLC for the financial year ended 31 December 2016.	1. Prohibited from auditing PIEs or schedule funds for 12 months; 2. Prohibited from accepting PIEs or schedule funds as clients for 12 months; and 3. Penalty of RM123,000.
5.	Siew Boon Yeong & Associates, auditor for 3 PLCs for the financial years ended 31 December 2016, 31 January 2017 and 31 March 2017.	1. Prohibited from auditing PIEs or schedule funds for 9 months; and 2. Penalty of RM227,000.
<b>Failure to comply with certain requirements of the ISA in the performance of an audit of a PIE</b>		
6.	Mea Fatt Leong of McMillan Woods Mea, engagement partner in the audit of a PLC for the financial year ended 31 December 2016.	1. Prohibited from auditing PIEs or schedule funds for 12 months; 2. Prohibited from accepting PIEs or schedule funds as clients for 12 months; and 3. Penalty of RM44,000.
7.	Dato' Siew Boon Yeong of Siew Boon Yeong & Associates, engagement partner in the audits for 3 PLCs for the financial years ended 31 December 2016, 31 January 2017 and 31 March 2017.	1. Prohibited from auditing PIEs or schedule funds for 9 months; and 2. Penalty of RM81,000.
8.	Elwyn Tang Boon Hiap of CHI-LLTC, engagement partner in the audit of a PLC for the financial year ended 30 April 2015.	1. Reprimand; and 2. Penalty of RM225,000.
9.	Chuah Soo Huat of PKF, engagement partner in the audit of a PLC for the financial year ended 31 December 2012.	1. Reprimand.

No.	Auditors	Action taken
<b>Failure to comply with certain requirements of the ISA in the performance of an audit of a PIE (Cont'd)</b>		
10.	Gary Yong Yoon Shing of Nexia SSY, engagement partner in the audit of a PLC for the financial year ended 31 December 2012.	1. Reprimand.
11.	Jason Sia Sze Wan of Nexia SSY, engagement partner in the audit of a PLC for the financial year ended 31 December 2012.	1. Reprimand.
12.	Lye Ghee Kang of CAS Malaysia PLT, engagement partner in the audit of a PLC for the financial year ended 30 April 2017.	1. Reprimand.
<b>Failure to comply with certain requirements of the ISA dealing with EQCR</b>		
13.	Wong Joo Hua of McMillan Woods Mea, EQCR partner in the audit of a PLC for the financial year ended 31 December 2016.	1. Prohibited from auditing PIEs or schedule funds for 12 months; and 2. Prohibited from accepting PIEs or schedule funds as clients for 12 months.
14.	Lim Teik Ee of Siew Boon Yeong & Associates, EQCR partner in the audits of 3 PLCs for the financial years ended 31 December 2016, 31 January 2017 and 31 March 2017.	1. Prohibited from auditing PIEs or schedule funds for 9 months.

## ACRONYMS AND ABBREVIATIONS

AARG	ASEAN Audit Regulators Group
ACCA	Association of Chartered Certified Accountants
ACGA	Asian Corporate Governance Association
AOB	Audit Oversight Board
CMSA	<i>Capital Markets and Services Act 2007</i>
CPA	Certified Practising Accountant
EAR	Enhanced Auditors' Report
EP	Engagement partner
EQCR	Engagement quality control review
ICAEW	Institute of Chartered Accountants in England and Wales
IFIAR	International Forum of Independent Audit Regulators
ISA	International Standards on Auditing
ISQC	International Standards on Quality Control
KAM	Key Audit Matters
MIA	Malaysian Institute of Accountants
MICPA	The Malaysian Institute of Certified Public Accountants
PCAOB	Public Company Accounting Oversight Board
PIE	Public-interest entity
PLC	Public-listed company
SC	Securities Commission Malaysia
SCMA	<i>Securities Commission Malaysia Act 1993</i>

## DEFINITIONS

Auditor	An individual auditor or audit firm who is registered or recognised under section 31O of the SCMA as a registered auditor or recognised auditor of a PIE or schedule fund.
Big-Four Audit Firms	Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers.
Major Audit Firms	Audit firms with more than 10 partners and audit more than 50 PIEs clients with a total market capitalisation of above RM25 billion.
Other Audit Firms	Audit firms other than Major Audit Firms.
Public-interest entity	Entity specified in Part 1 of Schedule 1 of the SCMA: <ul style="list-style-type: none"> <li>(a) a PLC or a corporation listed on the stock exchange;</li> <li>(b) a bank licensed under the <i>Financial Services Act 2013</i>;</li> <li>(c) an insurer licensed under the <i>Financial Services Act 2013</i>;</li> <li>(d) a takaful operator licensed under the <i>Islamic Financial Services Act 2013</i>;</li> <li>(e) an Islamic bank licensed under the <i>Islamic Financial Services Act 2013</i>;</li> <li>(f) a person prescribed as a prescribed financial institution under section 212 of the <i>Financial Services Act 2013</i> or a person prescribed as a prescribed Islamic financial institution under section 223 of the <i>Islamic Financial Services Act 2013</i>;</li> <li>(g) a developmental financial institution prescribed under the <i>Development Financial Institutions Act 2002</i>;</li> <li>(h) a holder of the Capital Markets Services Licence for the carrying on of the regulated activities of dealing in securities, dealing in derivatives or fund management;</li> <li>(i) an exchange holding company approved under the securities laws;</li> <li>(j) an exchange approved under the securities laws;</li> <li>(k) a central depository approved under the securities laws;</li> <li>(l) a clearing house approved under the securities laws;</li> <li>(m) a self-regulatory organisation recognised under the securities laws;</li> <li>(n) a private retirement scheme administrator approved under the securities laws;</li> <li>(o) a trade repository approved under the securities laws;</li> <li>(p) the Capital Market Compensation Fund Corporation;</li> <li>(q) any other person as the Minister may prescribe by order published in the <i>Gazette</i>.</li> </ul>

Schedule fund

Fund specified in Part 2 of Schedule 1 of the SCMA:

- (a) a private retirement scheme approved by the SC under the CMSA;
- (b) a unit trust scheme approved, authorised or recognised by the SC under the CMSA;
- (c) any other capital market funds as may be specified by the SC.