

**INTERNAL CONTROL**  
**(MIDDLE MANAGEMENT ROLE)**

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By : Justine Sinsoi

ITM IC : 85131724

For : ACC 555

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Adviser : Barbara Wong

## PREFACE

This research paper has been carried out to examine and evaluate whether the middle management of one of the established equipment leasing company in Kuala Lumpur plays an important role in developing, implementing and evaluating the effectiveness of the internal control system incorporated in the company's leasing procedure.

The writer feels that it is appropriate to select an equipment leasing company for detailed observation in this research paper as this kind of business is getting more and more common in Malaysia nowadays.

As this paper is prepared in partial fulfillment of the requirements of the Advanced Diploma in Accountancy course for the Practical Attachment (ACC 555) subject, the contents are therefore not meant for official use and not to be made available to the general public other than the MARA Institute of Technology, Shah Alam panel of evaluators of the research paper, lecturers of School of Accountancy and the writer's research paper adviser.

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## 1.0 INTRODUCTION

### 1.1 Problem background

In recent years, there has been a rapid proliferation of equipment leasing companies in Malaysia - from the small independent companies to large subsidiary banks. Leasing as a financing method becomes popular because of various benefits and flexibility. The rapid development of the Malaysian leasing industry is to a large extent, the result of a concerted promotion effort by leasing companies.

However, as this kind of business industry grows and becomes more popular, there is also an increase in consumerism and government regulations. The general public, private and public companies, partnership and sole proprietor firm engaged in a commerce and industry have high expectations from leasing companies in areas of higher levels of business responsibility and moral standards. At the same time, government also enacts more and more regulations and