



اُونِيُوَرَسِيْتِي تِي كُنُوْلُو كِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA

**FIELD REPORT**  
**PRACTICAL TRAINING**  
**PAC 671**  
**FACULTY OF ACCOUNTANCY**  
UNIVERSITI TEKNOLOGI MARA KAMPUS  
DUNGUN TERENGGANU

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Submission Date: 5 July 2024

## TABLE OF CONTENTS

NO	CONTENT	PAGES
1	SECTION A	
	1.0 Introduction	1
	1.1 Company Background	3
	1.2 Vision, Mission, and Values	4
	1.3 Organizational Structure	7
	1.4 Services	8
2	2.0 Summary of work done	9
3	3.0 Strength and Weaknesses of Training	14
4	4.0 Self-reflection	16
5	SECTION B	
	1.0 Introduction of the issue	17
6	2.0 Discussion of the issue	18
7	3.0 Recommendations	21
8	4.0 Conclusion	22
9	References	23
10	Appendices	24

## ACKNOWLEDGEMENT

This report could not have been completed without the collaborative efforts of several persons to whom I am grateful.

First and foremost, I would want to thank Allah SWT for granting me the ability to finish my internship in less than 24 weeks and to produce this report correctly, all while remaining safe and well. I am writing to convey my sincere appreciation for the valuable six-month internship at Nexia SSY Plt. Subang Jaya, which took place from March 4, 2024, to August 23, 2024. I received a fantastic opportunity for professional growth and learning during my internship with Nexia SSY Plt. I have had wonderful experiences working with the company and have gained priceless knowledge. I would like to express my sincere gratitude to my dissertation advisor, Ms Laily, for her meticulous oversight, encouragement, support, motivation, and invaluable advice.

Furthermore, a special thank you to the entire Nexia SSY family and management team. for their unwavering assistance throughout my internship by giving me relevant information and resources. Additionally, I would like to sincerely thank all my colleagues for their unwavering support and direction throughout the internship, which has enabled me to gain insight into the workings of the audit industry. I really appreciate all their generosity in supporting and educating me during a difficult time. The Nexia SSY management team and all the seniors are incredibly encouraging, understanding, and patient, which makes it even simpler to get by in the workplace, acquire real-world experience, and absorb knowledge.

I would also like to express my gratitude to the professors for my degree in accounting, particularly to Ms Fong Wei Jing, my supervisor, who taught me theory and gave me access to an industrial training program so I could have experience in the workforce before I graduated. I successfully finished the industrial training, and the summary and conclusions I've derived from the experience are included in this report.

Lastly, I would like to express my gratitude to my parents, who are the most important people in my life, for their unwavering moral and financial support as well as to my friends, who have never stopped reminding me to be trustworthy and honest while I'm undergoing my industrial training.

## STUDENT PROFILE



# NUR IRA HAMIMI BINTI HAMZAH

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### PROFILE

I am a goal-oriented professional with excellent communication and problem-solving abilities. I perform well in hectic situations and am always up for a challenge. I'm dedicated to lifelong learning, productive teamwork, and following the highest ethical standards, especially in the accounting field. I thrive on teamwork, motivated and perfectionism. Furthermore, I am looking forward for more challenging and exciting opportunities out there to sharpen my skills especially in accounting field.

### EDUCATION

Oct 2020 - Present	<b>BACHELOR OF ACCOUNTANCY (HONORS)  UNIVERSITI TEKNOLOGI MARA</b> CGPA- 2.61	Dungun, Terengganu
May 2019 - July 2020	<b>PENANG MATRICULATION COLLEGE</b> CGPA 3.88	Kepala Batas, Pulau Pinang
Jan 2014 - Dec 2018	<b>SIJIL PELAJARAN MALAYSIA (SPM), SEKOLAH MENENGAH KEBANGSAAN MERU, KLANG</b> 3A 5B 1C 1D	Klang, Selangor

### WORK EXPERIENCES

Jan 2019 - Mar 2019	<b>KINDERGARTEN TEACHER, TADIKA GENIUS SINAR IMPIAN</b>	Sungai Buloh
	<ul style="list-style-type: none"><li>Developed and implemented engaging lesson plans that met the needs of all students in a mixed age Kindergarten classroom</li><li>Established and maintained a nurturing and stimulating classroom environment that fostered student learning.</li><li>Monitored student progress and provided appropriate feedback to parents and administrators.</li><li>Utilized a variety of teaching methods to accommodate different learning styles</li><li>Implemented positive behavior management strategies to maintain a safe and productive learning environment.</li></ul>	

### PROJECT INVOLVEMENT

July 2023	<b>PRESENTER - BUSINESS PROPOSAL INTELLECTUAL IDEA (BPII)</b>	
	<ul style="list-style-type: none"><li>Enhance ability to convey complex ideas clearly and engage with audience.</li><li>Gain more understanding in product made and able to deliver it to the audience.</li></ul>	
Jan 2023	<b>MEMBER - REPORT EDITOR &amp; DESIGNER OF SERVICE LEARNING MALAYSIA SULAM</b>	
	<ul style="list-style-type: none"><li>Enhanced editing and design skills, provide hands-on experience in refining written content and creating visually appealing designs.</li><li>Increased attention to detail and develop a meticulous approach to work, a valuable skill in various professional settings.</li></ul>	

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## EXTRACURRICULAR ACTIVITIES

- Jan 2023     **PRESENTER - ARABIC NIGHT BOOTH**
- Enhance public speaking skills in order to engage with an audience and convey information effectively.
  - Allows to immerse in Arab culture such as traditions.
- Dec 2022
- PLAYER - UITM LIGA KAMPUS (2022) : PUBG MOBILE**
- Improving teamwork skills, learning to communicate effectively with teammates, strategize together, and handle in-game challenges and turn into valuable skills applicable in various contexts.
  - Improved decision-making skills, enhance ability to make strategic decisions in a fast-paced environment.
- Nov 2021
- PRESENTER - PROGRAMME SULAM SURVIVAL WE NEED TO SURVIVE**
- Improved communication skills, enhance verbal communication skills, including clarity, articulation, and the ability to convey complex ideas in an understandable manner.
  - Leadership development, responsible for guiding the audience through the content, managing their attention, and facilitating discussions

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## SKILLS

### TECHNICAL SKILLS

- Data Analysis Software: IBM SPSS
- Microsoft Office Software (Excel, Project, PowerPoint, Word)
- Accounting Software (Mr Accounting, SQL Account)

### SOFT SKILLS

- Excellent interpersonal and communication skills
- Strong problem-solving and analytical skills
- Thrive in team environment and work well with others
- Flexible, independent and able to adapt effectively to challenges
- Strong work ethic, result oriented and able to work under pressure.

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## LANGUAGES

Malay - Native Speaker

English - Intermediate

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## REFERENCES

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## **SECTION A**

### **1.0 INTRODUCTION**

Nexia SSY Plt. Subang Jaya was my first choice for an industrial training placement lasting twenty-four weeks, from March 4, 2024, to August 23, 2024. I was attracted to the firm's opportunities for personal growth and development, as well as its continuous commitment to my professional development and learning. Without attending college, I can acquire a wealth of experience and novel insights in audit and assurance, tax, accounting, and other related fields. The audit firm I selected, Nexia SSY is located at UOA Business Park Tower 3, 5th Floor , K03-05-08 Shah Alam Selangor. This location is the most convenient for me to reach my residence and place of employment each day. In addition, I select Nexia SSY for internships due to the fact that it is ranked 10<sup>th</sup> amongst the major global accountancy and business network with a combined turnover of over USD3 billion, widely recognized for its extensive networking and professional development opportunities, exposure to various industries, and potential for future career progression, as well as its prestigious reputation and global presence.

All accounting students are required to complete the 24-week Industrial Training Program to earn a Bachelor of Accountancy (Hons). Students are required to actively contribute to the achievement of the company's objective throughout the 24-week period by utilizing the knowledge they have acquired in their educational setting. Additionally, students are required to abide by all organization policies and procedures, including but not limited to the attire code, working hours, and work practices. Additionally, the student must participate fully and accept complete responsibility for the organization. My decision to pursue employment at NEXIA SSY was influenced by the firm's distinguished standing as among the big accounting firms. This status offered exceptional prospects for career growth and broadened my industry exposure. I was particularly impressed by the extensive benefits package provided to me when I was assigned to the audit department at Nexia SSY Plt. Subang Jaya. These benefits included a monthly allowance of RM1,000 which covered reimbursement for parking and mileage expenses incurred during client engagements, and access to pantry refreshments including snacks and a coffee machine.

## 1.1 COMPANY BACKGROUND



Figure 1: Logo of NEXIA SSY

Nexia SSY PLT, located in UOA Business Park Tower 3, 5th Floor, K03-05-08, 40150, 40150 Shah Alam, Selangor was formed in 2011 through the merger of three established firms: Singam & Yong (founded in 1975), Sia & Co (1978), and Noordin Jaafar (1983). This merger has enabled Nexia SSY PLT to pool extensive experience and resources to offer a comprehensive range of services, including audit and assurance in providing statutory and non-statutory audits, financial reporting, and assurance services to ensure compliance and enhance credibility. Tax services, offering tax planning, compliance, advisory, and investigation services to optimize tax liabilities and ensure adherence to regulations. Advisory services, delivering business advisory, corporate finance, risk management, and internal audit services to support strategic decision-making and improve operational efficiency. Corporate services, including company secretarial services, corporate governance, and compliance to assist with regulatory requirements and corporate administration.

The firm caters to a diverse clientele, including public-listed companies, SMEs, multinational corporations, non-profit organizations, and the public sector. With offices in Subang Jaya, Petaling Jaya, and Kuala Lumpur, Nexia SSY PLT has established itself as a significant player in the Malaysian market, ranked 15th in Malaysia by fee income in 2018. This merger combines the expertise and resources of its partners and professional staff to deliver superior processes and quality services to both existing and potential clients.

With a global perspective, Nexia SSY Plt is dedicated to navigating the complexities of international markets, offering optimal solutions for business and personal wealth management. Nexia SSY Plt vision is to be recognized as a leading firm in Malaysia, renowned for delivering exceptional audit, accounting, tax, and advisory services. We strive to be the firm of choice for business leaders, employees, and career seekers.

## **1.2 VISION, MISSION AND VALUES**

### **Vision**

Nexia SSY vision is “To be recognized as a leading Firm in Malaysia for delivering excellent audit, accounting, tax and advisory services and be the Firm of choice for business leaders, employees and career seekers.” (Nexia SSY, n.d.). It means that Nexia always aims to be at the forefront of its industry in Malaysia. This means being in the lead, establishing benchmarks, and being recognized as a leading provider of audit, accounting, tax, and advisory services.

It is to ensure public and client trust where the organization aims to provide top-notch services in several categories, such as audit, accounting, tax, and advising. This implies a dedication to quality, precision, and dependability in its offerings.

Nexia SSY is also required to be firm of choice where the organization wants to be the go-to choice for corporate executives looking to hire services for audit, accounting, tax, and consultancy. This suggests a desire to establish trusting bonds with influential business community decision-makers

### **Mission**

Nexia’s mission is “to provide the highest standards of audit, accounting, tax and advisory services and deliver the best customer experience by adding value and surpassing expectations; and happy clients will create an environment that ensures a fun work-life balance for employees”. The statement outlines that Nexia wants to put people first, to be an honest and dependable partner, and to take steps to protect the environment.



## Our Values

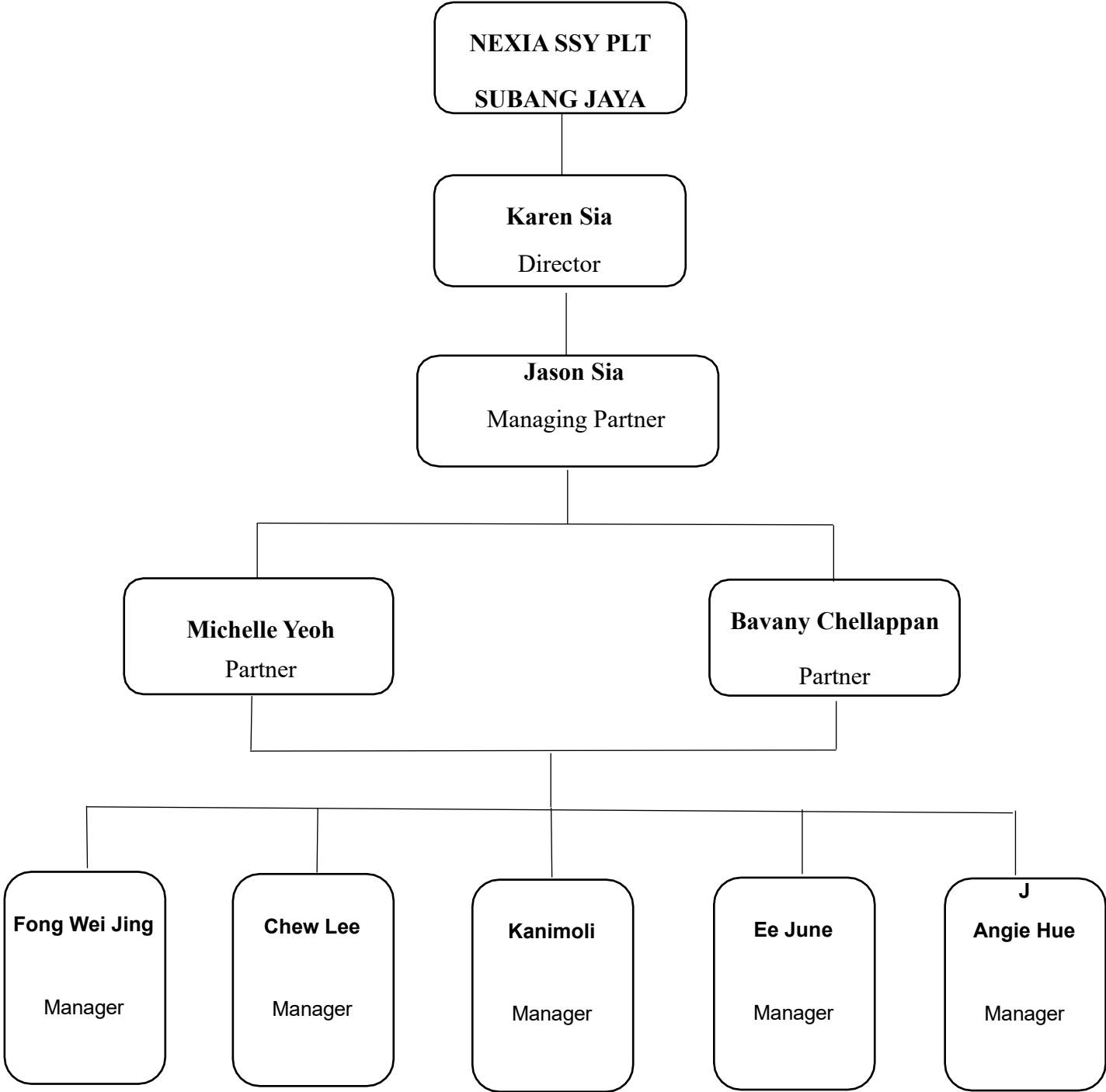


Figure 2: Our Values

At the core of Nexia’s vibrant culture are a set of values that bring out the best in their people. Their people are aware of their need to uphold the principles they have developed over the years. These Values serve as the daily road map for their actions, decisions, and interactions with one another, their clients, the businesses they audit, and all other stakeholders. The beliefs are based on what they believe such as quality first, do it right first time, pride in our work, and service with excellence

They emphasize at Nexia SSY that trust is crucial and must be earned by consistently doing the right thing, not just occasionally. And in an era of accelerated global change and increasing complexity, this straightforward principle has assumed an even greater significance. They uphold the utmost levels of integrity in both their personal and professional conduct. Because ethics and integrity are fundamental to their being, all Nexia employees are held to this standard of excellence.

**1.3 ORGANIZATIONAL STRUCTURE**



## **1.4 SERVICES**

### **Audit and Assurance**

Audit and Assurance services at Nexia SSY PLT involve the examination of financial statements to provide an independent opinion on their accuracy and fairness. These services ensure compliance with statutory requirements and enhance the credibility of financial reporting. Nexia SSY's audit and assurance services include statutory audits, financial reporting, and other assurance engagements aimed at helping clients maintain transparency and trust with stakeholders.

### **Tax Services**

Tax Services at Nexia SSY PLT encompass a wide range of tax-related support to help clients manage their tax obligations efficiently. This includes tax planning and advisory, which aims to optimize tax liabilities and ensure compliance with tax laws. Nexia SSY also provides tax compliance services to assist clients in meeting their reporting requirements, as well as tax investigation services to support clients during tax audits and disputes with tax authorities.

### **Advisory Services**

Advisory Services at Nexia SSY PLT are designed to help clients improve their business operations and make informed strategic decisions. These services include business advisory, which focuses on enhancing business performance and growth, corporate finance advisory for mergers, acquisitions, and capital raising, risk management services to identify and mitigate business risks, and internal audit services to assess and improve internal controls and governance processes.

### **Corporate Services**

Corporate Services at Nexia SSY PLT involve assisting clients with the administrative and regulatory aspects of running a business. This includes company secretarial services to ensure compliance with corporate governance requirements, corporate governance advisory to help clients implement best practices, and compliance services to ensure adherence to legal and regulatory obligations. Nexia SSY's corporate services aim to support clients in maintaining proper corporate structure and meeting their statutory responsibilities.

## **2.0 SUMMARY OF WORK DONE**

### **1. The general ledger and trial balance must be sanitized**

Nexia SSY has been using CCH ProSystem fx Engagement (CCH Pfx) since 2022. CCH Pfx is an electronic workpaper management solution that streamlines all stages of an engagement. It helps to automatic generated trial balance from PDF into Excel working paper format and to sanitize general ledger only using Microsoft Excel.

### **2. Journal Entry Finality Assessment (JECT)**

The purpose of JECT is to guarantee that both the trial balance and journal entry culminate in a balance of zero. In order to satisfy the Journal Entry Completeness Test, both the general ledger and trial balance must contain a "0" value. The result must be transferred from the CCH Pfx software process to the template document.

### **3. Transferring data from an Excel working paper to the CCH ProSystem fx Engagement.**

To transfer data from an Excel working paper to the CCH ProSystem fx Engagement, start by ensuring Excel file is well-organized. Open CCH ProSystem fx Engagement and the specific engagement file where to import the data. Use the import function to select the Excel file and map its fields to the appropriate fields in the software. Verify the accuracy of the transferred data and make any necessary adjustments. Finally, save the engagement file and document the transfer process for audit purposes.

### **4. Casting and cross-referencing**

I have been entrusted with the responsibility of performing cross-referencing and casting on the audit financial statement report. The purpose of casting is to verify that the total figures in the financial statement have not been erroneously calculated by the system. When the sum of the line items in the balance sheet, SOCI, or other financial statements or associated disclosure notes does not equal the sum indicated at the end of the column, a casting error will occur. I was subsequently required to annotate the accurate figure and request the senior to rectify the error in the report before reprinting the paper.

## **5. Conduct concluding analytics**

An additional senior is tasked with composing the concluding analytics for the working paper. Final analytical evaluation must be conducted by the auditor at the conclusion of an audit finalization. The concluding analytics consist of trend analysis, ratio analysis, and the calculation of relationships between financial information elements. By following these procedures, the auditor is able to determine whether their comprehension aligns with the conclusion reached and whether they have gathered an adequate and suitable amount of audit evidence. In the event of an inconsistency, the auditor is required to modify the audit program and conduct supplementary procedures pertaining to a particular account balance.

## **6. Submission**

Upon completion of a given engagement, I will assist the auditor in concluding all client-related tasks and preparing the audit file, also known as the "CAF file." The file is prepared for physical copies to be retained, including those of completed financial statements, bank confirmations, engagement team information, representative letters for minutes, and so forth. Additionally, the file must contain the company's name, the file's name, and the end date of the fiscal year.

## **7. Reorganize the risk assessment**

I provided support to the senior in organizing the risk assessment by verifying the correspondence between process and tab names, enumerating the accounts that were included in each row, and editing the remarks section for errors. I then notify the senior if a problem arises

## **8. Scanning and Printing**

The senior will request to assist them with printing the financial statement. Once the financial statement has been printed, I will assist with cross-referencing and casting. I will then transmit to the manager a scan of the financial statement for review. I will forward the financial statement to the partner for review and correction if there are no errors.

## **9. Roll forward**

The audit procedure known as "roll forward" involves transferring the balance from the previous year to the opening balance of the current year. Typically, I am required to advance all items in audit working paper, including working notes of PPE and taxation, Statement of Comprehensive Income (SOI), Statement of Cash Flow (SOCF), and Statement of Financial Position (SOFI). Following that, I must recalculate the total quantities to prevent any errors. The significance of roll forward testing lies in the fact that prior data on assets and liabilities will be used to establish the baseline for a new accounting period. This baseline will then be utilized to calculate the percentage difference between the current year and the prior year for each item. A higher percentage indicates a greater significance of the materiality; therefore, the auditor must choose appropriate audit procedures to verify the accuracy and veracity of the figures associated with that item.

## **10. Vouching**

Vouching involves the examination of corroborating documentation to verify the accuracy of the accounting records. The principal objective of vouching is to detect errors and fraudulent activities while demonstrating the veracity and integrity of financial statements, including the balance sheet and profit and loss statement. At Nexia SSY, we are obligated to adhere to all audit keys in order to serve as a point of reference for ensuring the reliability of the standard presentation and to make necessary revisions. I assisted the client company with the testing of control (TOC), and test of detail (TOD). When the client organization conducts operational control (TOC) and detail (TOD) tests. In the process of vouching, I shall attest to the authenticity of the chosen sample of source documents. The objective is to ascertain that the transactions or acquisitions have been accurately documented with respect to the quantities, dates, suppliers' or buyers' names, and descriptions. Considerable time was devoted to vouching duties.

## **11. Walkthrough**

A walkthrough test is a method of auditing in which an entire process is examined, from inception to conclusion. The walkthrough test is designed to assess the dependability of a system and scrutinize the way employees have executed internal controls.

## **12. Extract Minutes of Meeting**

Preparing audit confirmation, including director and bank confirmation, as well as other payables, is another responsibility. Audit confirmation is an audit procedure that prevents the auditor from verifying the existence and conditions of related-party balances within the entry under audit. As such, preparation is required for every engagement. The purpose of the bank confirmation is to validate the accuracy and fairness of the client's recorded balance and transactions. In contrast, the client office will receive the director's confirmation, which will contain information regarding the compensation and benefits received by each director, their stakes in shares and debentures, options acquired, and more. Extract meeting minutes the auditor is obligated to extract minutes of client meetings once the engagement has commenced. The auditor is authorized and obligated to examine the client's minute book to verify the company's adherence to Malaysian regulations and laws. As stated in Section 266(4) of the Company Act 2016, "each auditor shall have the right to access the company's books of accounts and vouchers and shall be entitled to request from company officers any explanations and information that the auditor deems necessary for the performance of his duties as auditor." The purpose of extracting meeting minutes is to assist auditors in comprehending the discussions and decisions made during the meetings. This ensures that all decisions, including those regarding the election of an independent director, the appointment of an auditor, the transfer of shares, the declaration of dividends, and more, follow the la

### **3.0 STRENGTH AND WEAKNESSES OF TRAINING**

During my internship, there are a few strengths and weaknesses of NEXIA SSY PLT, Subang Jaya that can be observed.

#### **Strengths**

##### **1. Sustaining positive client relations.**

Nexia SSY diligently strives to uphold an exceptional rapport with their clientele. Because of this, client interactions are vital to the viability of a business. However, they do not spontaneously manifest. As with intimate relationships, customer relationships require consistent maintenance. By cultivating strong relationships with their clientele, businesses can increase sales, gain brand loyalty, and generate positive word-of-mouth. This unwavering commitment maximizes the effectiveness, precision, and pertinence of its offerings, guaranteeing that customers profit from cutting-edge resolutions.

##### **2. Devoted to Teamwork**

The senior at Nexia SSY is extremely affable and eager to instruct interns and new employees until they comprehend the request for assistance. Before beginning work, senior members will provide a brief overview of the tasks that need to be completed. Those who are uncertain about the work that has been divided can simply question them directly. This demonstrates that they will not simply delegate work to interns and new employees without monitoring their progress to ensure that no errors occur. This employee's positive attitude demonstrates that Nexia has developed a capable individual capable of upholding high work standards.



## **Weaknesses**

### **1. Size of the pantry**

A notable drawback arising from the pantry's compact dimensions is that personnel are required to patiently await the completion of others when utilizing the facilities or retrieving refreshments. Due to the restricted storage area, the pantry can only accommodate a small number of personnel at any given moment. As a consequence, during periods of high demand, queues frequently form, impeding the progress of patrons seeking to utilize amenities such as the coffee machine or obtain a refreshment. Additionally, this waiting period may deter staff members from taking required pauses, which may have a negative effect on their overall health and job satisfaction. By enlarging the pantry area or employing traffic management strategies, this concern could be alleviated, and the staff's experience could be improved.

### **2. Parking fees that are not worth in the price**

Due to the fact that the Nexia SSY is located inside the UOA Tower Business Park building, which is rented to other businesses, including Arina Cyber Technologies and Ingenique (Malaysia) Sdn Bhd, parking on the ground floor was extremely pricey for our employees. Due to that, I need to park further than the office which is at LRT Subang Jaya Parking with cheaper parking fees. Luckily there is a linked bridge from LRT Subang Jaya and UOA Tower Business Park which facilitated the trip to the office. When it is pouring severely, the only options are to wait for the rain to stop or, if the weather permits, to retrieve my vehicle; the time I spent waiting for the rain to stop caused me to arrive home late.

#### **4.0 SELF-REFLECTION**

Professionally, the apprenticeship has been a turning point in my life; it provided me with the opportunity to develop new abilities and skills while also improving my personal growth. As a result of completing a variety of duties at Nexia SSY Plt., I have gained a wealth of valuable experience, including proficiency with new software, comprehension of audit procedures, and enhanced business communication abilities. By engaging in the internship and completing the allocated tasks independently, I developed the confidence to seek assistance or guidance from the senior without hesitation, due to the senior's approachable nature and detailed explanations of each task until we fully comprehended them. This apprenticeship has enhanced my comprehension of the audit industrial work circle; I am now aware of the functions of vouching, sending confirmation, extracting minutes, and more.

Furthermore, the internship has provided me with the opportunity to interact with a variety of clients and coworkers, which has enhanced my communication abilities and provided me with valuable practical experience in professional communication. In addition, I improve my written abilities by requesting specific work papers, reports, and other supporting documents in a clear and concise manner. In addition, I solicited inquiries from third parties and dispatched confirmation letters and booking times to clients via email.

However, the designated tasks also have consequences for the organizations, including an increase in staff productivity. I was tasked with preparing confirmation and vouching, for instance. The assignments can alleviate the senior's burden, allowing them to focus on completing other critical responsibilities. Additionally, I assisted the senior in conducting the casting check on audit report drafts. Seniors are occasionally too preoccupied to examine thoroughly. Thus, several of the errors that transpired in the audit report are discernible to me.

## **SECTION B**

### **1.0 INTRODUCTION OF THE ISSUE**

Financial reporting for regulatory changes and new accounting standards such as new and revised accounting standards and interpretations, and amendments to standards and interpretations, have been fully considered in the reporting close process. Referring to (IAS Plus, 2024), IAS 8, titled "Accounting Policies, Changes in Accounting Estimates and Errors," is a standard that provides guidelines for selecting and applying accounting policies, accounting for changes in estimates, and correcting prior period errors. The standard mandates compliance with applicable IFRS for transactions and offers guidance for other items to ensure relevant and reliable information. Changes in accounting policies and error corrections are generally handled retrospectively, while changes in accounting estimates are addressed prospectively. However, according to (Relin consultants, 2023), among the most common accounting standards are the Generally Accepted Accounting Principles (US GAAP) and the International Financial Reporting Standards (IFRS). The USGAAP, as the name implies, is used mostly in US jurisdictions, whereas the IFRS is used predominantly in European countries. As of today, many nations, including Malaysia, use IFRS as a basis for developing their own accounting standards

Research by Grant Thornton. (2024) implies that the 2024 edition of the publication has been updated for changes to International Financial Reporting Standards (IFRS) that were published between 1 January 2023 and 31 December 2023. The publication now covers 31 March 2023, 30 June 2023, 30 September 2023, 31 December 2023 and 31 March 2024 financial year ends. The change is not yet mandatorily effective for a particular year end, it may still be possible for an entity to adopt it early depending on local legislation and the ability to be able to fully comply with all the requirements, however, after the changes has been made but an entity is yet to apply it, some issue has arisen. Certain disclosures are required to be made under IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Disclosures required include the fact that the new or amended Standard or Interpretation has been issued but it has not yet been applied and known or reasonably estimable information relevant to assessing its possible impact on the financial statements in the period of initial application. These findings find support in studies by Nazatul Izma, M. (2009), (Larson & Street, 2004; Jermakowicz & Gornik-Tomaszewski, 2006), and NST Online (2024).

## 2.0 DISCUSSION OF THE ISSUE

The article addresses several critical issues regarding Malaysia's convergence with International Financial Reporting Standards (IFRS), highlighting the complexities, challenges, and strategic approaches taken by the Malaysian Accounting Standards Board (MASB) and other relevant stakeholders. As Malaysia's historical alignment with British accounting standards set a precedent for adopting international standards, which facilitated the transition towards IFRS. The commitment to converge with IFRS was announced by the MASB in 2008, aiming for full implementation by January 1, 2012. This move was intended to enhance transparency, comparability, and credibility of financial reporting in Malaysia (Nazatul Izma, 2009; Suh, 2011). The article outlines three primary accounting frameworks in Malaysia: Financial Reporting Standards (FRS), Private Entity Reporting Standards (PERS), and Malaysian Financial Reporting Standards (MFRS). The MFRS framework, which is fully IFRS-compliant, applies to all entities except private entities. Private entities have the option to use either the MFRS or PERS frameworks, with certain transitioning entities given a grace period until 2013 to fully adopt MFRS (Accountants Today, 2012; Jebaratnam, 2012).

An issue arises in full adoption of IFRS in Malaysia where it is affected on readiness and training of the company. A significant challenge in the adoption of IFRS is ensuring that all relevant stakeholders, including accountants, auditors, and corporate directors, are adequately trained and prepared. The MASB and the Malaysian Institute of Accountants (MIA) have been proactive in providing education and training initiatives, but the transition remains a complex process. IFRS standards are often more detailed and complex than previous local standards. For instance, fair value measurement and impairment testing require significant judgment and estimation, which can be challenging for those unfamiliar with such concepts (Nazatul Izma, 2009). The adoption of IFRS for SMEs introduces another layer of complexity. Although simplified, this framework still represents a diluted version of IFRS, which might not achieve the desired level of global standardization. The MASB's hesitancy to adopt IFRS for SMEs reflects concerns about human resource capacity and the practical challenges of implementing new standards across a diverse range of entities. SMEs often lack the sophisticated infrastructure and resources that larger corporations have, making the implementation of even simplified standards challenging. Ensuring that these smaller entities can comply with the new requirements without undue burden is a key concern (Nazatul Izma, 2010).

There is another article that support on issue regarding the convergence of International Financial Reporting Standards (IFRS) in Malaysia stated that it has encountered several notable issues and challenges, both common to global experiences and unique to the Malaysian context. The primary challenges identified across various countries, including Malaysia, involve the complexity of certain standards, lack of technical expertise, under-developed local capital markets, insufficient guidance for first-time application, and the high costs of convergence (Larson & Street, 2004; Jermakowicz & Gornik-Tomaszewski, 2006). Despite these common challenges, the path to IFRS convergence in Malaysia has been perceived as somewhat less burdensome compared to other countries, primarily because many IFRS provisions were already embedded in local accounting standards (MIA, 2008). However, Malaysia still faced significant hurdles, particularly in three distinct areas: MFRS 141 on agriculture, IC Interpretation 15 on real estate agreements, and accounting for Islamic financial instruments.

The adoption of MFRS 141, which mirrors IAS 41, has been a contentious issue in Malaysia. Historically, companies in Malaysia's significant agricultural sector, including palm oil and rubber plantations, used historical cost accounting, which conflicted with the IAS 41 requirement to fair value biological assets. This shift to fair value accounting presented difficulties due to the absence of active markets for some biological assets, lack of valuation expertise, and additional costs (MASB, 2010). The Malaysian Accounting Standards Board (MASB) actively engaged with the IASB to address these concerns, leading to amendments in the standards that better accommodated the local industry (MASB, 2016).

The implementation of IC Interpretation 15, identical to IFRIC 15, posed significant challenges for Malaysia's real estate sector, which primarily operates on a 'sell and build' model. The interpretation required profit recognition upon project completion, differing from the prevalent percentage of completion method. The Real Estate and Housing Developers' Association Malaysia (REHDA) raised concerns that this did not reflect local business practices. The MASB deferred the effective date of IC 15 multiple times, eventually aligning it with the issuance of MFRS 15, which allowed for a more gradual transition (MASB, 2011; 2016).

Accounting for Islamic financial instruments under IFRS has been particularly challenging due to the fundamental differences between Islamic and conventional finance. For example, the treatment of profit in murabahah contracts under IFRS 9 as akin to interest revenue contradicts the principles of Islamic finance, which prohibits *riba* (interest). This 'substance over form' approach disregards the distinct nature of Islamic financial transactions, potentially undermining the intended Shariah compliance (Minhat & Dzolkarnaini, 2018). The MASB's stance has been to apply the MFRS framework to Islamic Financial Institutions (IFIs) in the same manner as conventional institutions, but this has raised questions about the adequacy of such an approach in truly reflecting Islamic finance principles (MIA, 2012b).

In addition to what has been said, the changes in regulation have made a complex of certain standard which leads to an article about The Securities Commission Malaysia's Audit Oversight Board (AOB) has issued a public reprimand against Nexia SSY PLT and its audit partners, Michelle Yong Voon Sze and Jayapalasingam Kandiah, for failing to meet auditing standards. As the Engagement Partner, Michelle was criticized for not performing sufficient audit procedures or obtaining enough evidence to support a qualified opinion in the auditor's report. This was a violation of the International Standards on Auditing (ISA) adopted by the Malaysian Institute of Accountants (MIA). She specifically failed to assess the impact and legality of certain agreements in the financial statements of a public interest entity (PIE). Jayapalasingam, the Engagement Quality Control Reviewer, did not adequately review significant judgments and risk areas, particularly the basis for the qualified opinion. The audit firm Nexia SSY PLT itself was reprimanded for the quality of its engagement performance and non-compliance with the International Standards of Quality Control 1 (ISQC 1), particularly regarding file assembly and audit documentation (NST Online).

### **3.0 RECOMMENDATIONS**

To enhance the financial reporting environment in Malaysia in light of regulatory changes and the adoption of new accounting standards such as IFRS, several strategic recommendations can be made.

In order to avert this, we proposed that auditors to strengthening regulatory frameworks by doing continuous review and updates. Regularly review and update financial reporting regulations to align with global best practices and address emerging challenges in the financial markets. This includes staying current with amendments and interpretations of IFRS. Also, Enhanced Enforcement Mechanisms also help in the changes which can strengthen enforcement mechanisms to ensure compliance with financial reporting standards. This involves increasing the resources and authority of regulatory bodies such as the Securities Commission Malaysia and the Malaysian Accounting Standards Board.

Next, by having a Capacity Building for Professionals, It can improvise with Training and Education where company can implement extensive training programs for accountants, auditors, and financial analysts to ensure they are well-versed in IFRS and other relevant standards. Collaboration with educational institutions and professional bodies can facilitate ongoing education and certification. Also company also can encourage certification and accreditation for accounting professionals to ensure a high level of competency in financial reporting. This could involve mandatory certification programs for auditors and accountants specializing in IFRS.

After a considerable time, a collaboration between academic institutions and professional bodies to integrate International Financial Reporting Standards (IFRS) into the accounting curriculum plays a crucial role in shaping the future workforce of accountants. This collaboration ensures that students, who are the future accountants, auditors, and financial professionals, are well-versed in IFRS from the beginning of their careers, thus improving the overall quality and consistency of financial reporting worldwide. Graduated with a solid understanding of IFRS are more attractive to employers, especially multinational companies that require compliance with these standards. This enhances their employability and prepares them for roles in diverse and globalized business environments.

## 4.0 CONCLUSION

Industrial Training is a program that exposes the student to the real working environment and experience. Through Industrial training, I can conclude that industrial training is very important, and it can give many advantages for student who will graduate with their Certificate to gain experience before they get to the real situation in the future where the student being exposed to many kinds of job or work with the time given. Through industrial training, students also can learn to communicate better and be polite when facing the worker and staff. Students will also learn to be more disciplined when doing the work given and committed in doing those work and job in workplace.

In class I just know the theory, but in this internship program I can practice all the theory in real work. So, I can learn by doing it. Even though this is my first time working in an office, and besides all the stressful things, I feel like I really enjoy it. The important thing that I got from this Industrial Training is all about learning. Learn to get discipline in life. I learned how to communicate with my manager, colleagues, and clients. I learn to adapt to a new environment. I believe that if I want to learn more and work harder, I can be a successful person in the future and I can reach my dream.

In conclusion, I have benefited a lot in the field attachment in a way that the student managed to apply the theoretical knowledge from UiTM into practice through many tasks during intern. Besides, this training also helps students improve their capability in handling the tasks given as well as problems that occur within the company which can build critical thinking of student to make a wise decision to solve problems.

The Industrial Training improves the skills like interpersonal, presentation skills, communication skills, accounting skills and so on. The internship was fun and therefore the UiTM is encouraged to continue provide students this internship program this is to giving opportunities to apply their knowledge in real working environment.



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## APPENDICES



Figure 1: Parking Lot UOA Business Park



Figure 2: Nexia Office



Figure 3: Pantry



Figure 4: UOA Business Park