

Corporate misconduct goes unabated: MSWG
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Despite many rules and regulations, corporate misconduct continues and impacts the business environment, according to the Minority Shareholder Watchdog Group (MSWG).

"This happens from time to time across countries, even in Malaysia," said MSWG chief executive officer Rita Benoy Bushon.

"These shortcomings are continuous reminders for all parties that we need to buck up to ensure good corporate governance," she said on the sidelines of the Association of Chartered Certified Accountants (ACCA)/MSWG corporate governance forum in Kuala Lumpur today.

Gatekeepers are very important to ensure that pertinent issues are disclosed to shareholders at a early stage for necessary approaches to be taken before they become an issue of governance, Rita said.

"Gatekeepers can include independent directors, the board members themselves, internal auditors and external auditors of a company," she added.

Rita said the recent financial crisis highlighted serious ethical failings in financial services although businesses of all kinds, including the banks, had been increasingly policed by reams of rules and regulations.

"Despite all the regulatory requirements, individuals exploited the gaps," she said.

ACCA Malaysia's country head Jennifer Lopez said with the increasing complexity of financial accounting and reporting with Malaysia having adopted the International Financial Reporting Standards, financial acumen would be a key competency for directors.

"Putting a priority on financial skillsets and experience would mean that finance professionals and accountants are natural candidates for directorship," she said.

As financial fraud and mismanagement becomes more common, the presence of finance professionals would be deemed especially useful in improving financial risk management, she added.