

INDUSTRIAL TRAINING REPORT AT  
CROSSWORLD MANAGEMENT SERVICES SDN. BHD.

BY

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INDUSTRIAL TRAINING REPORT SUBMITTED TO

DEPARTMENT OF ACCOUNTING AND FINANCE  
FACULTY OF MANAGEMENT AND ECONOMICS  
KOLEJ UNIVERSITI SAINS DAN TEKNOLOGI MALAYSIA  
(KUSTEM)

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**2004**

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## DECLARATION

I, Mohd Firdaus bin Badu Rahim hereby declare that the report for AKN 4799 is based on my original work except for quotations and citations which have been duly acknowledged. Everything that has been written in this report is from my point of view based on the theory and my observation during the training. Faculty of Management and Economics (FPE) is not bonded with the contents of this report.

Signature

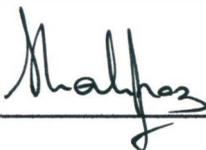


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Name: Mohd Firdaus bin Badu Rahim

Date: 20<sup>th</sup> October 2004

Acknowledged by:



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Supervisor from KUSTEM

On behalf of Chairman of the Industrial Training

Faculty of Management and Economics

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## PREFACE

Industrial Training is an important aspect and is compulsory in completing the Bachelor of Accountancy. The students are placed in government or public agencies and they are able to learn from observation and a direct participation in a working environment. Students are able to learn the management and control of an organization. During the training, student will obtain the experience and the basic skill the profession preferred. During the training, I have been trained to use the UBS System in the preparation of account.

In the first part of this report, Crossworld's organization structure, experience, history and many more are compiled together. As a bonus, I have also created a company account cycle figure. This figure will show the relationship all the qualified agencies surrounding of an entity to complete the cycle of an account. The cycles are continuous for every accounting period until the company ceased their operation activity.

The second part of this report will shows the internal control of an example company that I have chosen. A manufacturing company is good example to study their issues and weaknesses that can be found in their control system. Here, the purchase and account payable system are the system that I have study and identifies their weaknesses. The company's controls are quite weak in this system. There are also recommendations to overcome this weakness. I have also prepared a flow chart to show the changes in the control system that I have recommended.

## ACKNOWLEDGEMENTS

I would like to thank, Crossworld Management Services Sdn Bhd for accepting and giving me the chance to do my Industrial Training here. I would like to offer my gratitude's to its Managing Director; En. Shamarul Asrin, my Industrial Training Supervisor; Pn. Murni and the staffs; Cik Suzilawati, En. Hasliman and En. Khairul Nizam. They have helped me a lot in learning and mastering the UBS Accounting System.

I would also like to thank all the lecturers under the Faculty of Management and Economic especially from the Department of Accounting that have teaches me all the theories of accounting. All the help and support from En. Rodzy, Pn. Fatimah, En. Fakharuddin, PM. Dr. Saharuddin and Pn. Shahnaz are deeply appreciated.

Not forgetting all of those involved in the Industrial Practical Committee. I appreciate all the work and help given during my studies in KUSTEM.

Special thanks to all my colleagues that have been together all these years with me during my studies in KUSTEM. All the helps given during the lectures, assignments and especially in exams are deeply appreciated. I am praying that all of you will succeed in your life and the career you have chosen, Amin.

Lastly, I would like to thank my family especially my mum and dad. Thanks for all of their help given to me during my studies. Thank you for all the encouragement, fund and your love to me. You were always there to help me in my ups and downs.

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# CHAPTER 1

## INDUSTRIAL TRAINING

### 1.1.1 Incorporation History.

Crossworld Management Services were incorporated on the 3<sup>rd</sup> of June 1992. Their operation is firstly based at No.623B, Jalan Sentul, 51000 Kuala Lumpur and was known as Productive Elite (M) Sdn Bhd at that time. The company then changed its name to Business Assist Accounting Services Sdn Bhd on 24<sup>th</sup> July 1995 and move to a new address at 625A, Ground Floor, Jalan Sentul, 51000 Kuala Lumpur. Then the company once again changed its name to Crossworld Management Sdn Bhd on 31<sup>st</sup> December 1997 and moved to it last address at Lot 2720 A, Mezzanine Floor, Jalan Permata 4, Taman Permata, 53300 Kuala Lumpur and it is the last changes of company name and address until this article is written.

### 1.1.2 The Board of Directors.

Crossworld Management is managed by 3 directors from 1997 who are En. Ahmad Mukhriz, En. Mohamad Rosdi Ibrahim and En. Shamarul Asrin Mohamed Alias. But now there are only 2 directors left since En. Ahmad Mukhriz decided to retire on October 2000. Now, En. Mohamad Rosdi acts as the Executive Director and En. Shamarul acts as the Managing Director. The number of shares holds by each of the directors cannot be revealed for confidential purpose. But it can be stated here that based from my observation, En.

Mohamad Rosdi holds the majority of shares. Since all the important managerial decision were referred first to En. Mohd Rosdi. This shows that he has the power to approved and make the decision.

### 1.1.3 Company's Experience.

The company has the history in providing accounting services for over 10 years making it among the Accounting Firm preferred and trusted by its clients. It have operated actively ever since. The company is experienced in preparing and maintaining the accounts of trading, manufacturing, construction, legal firm, architect, government agency and services. With the knowledge of maintaining and preparing the account for construction firms, it have given the company a competitive edge among its business rivals since not many Accounting Firm can prepare the full set of construction account. The company have a quite large number of clients and most of them are permanent client comprise of small and medium scale business. Their clients come from every part of Kuala Lumpur and Selangor. The company never chooses its clients because the management feels that all company is just the same whether it is a small or a large company.

#### 1.1.4 Service Provided.

There are two main services provided by the company; accounting services and distributor for UBS Accounting System.

The first service which is the principal activity of the company is to provide accounting service. The company is concentrating and very serious in providing a quality accounting services. The service is provided to all company that is incorporated and operates in Malaysia. Every type of business is welcome since they are experience in preparing the accounts of construction, manufacturing, trading and services. Being familiarized with the accounts of a construction company has given Crossworld an advantage since not every account service provider company can manage this type of account. This is due to the strict standards and regulations in the preparation of their account. Since their operation is located in the Klang Valley, they can access a larger number of clients. Their service helps companies to maintain and prepare a proper set of accounts according with the standards and regulations. After the account is prepared completely, only then can a company's account audited. This shows that the role and services of Crossworld is very important to their client.

Crossworld is also acts as one of the agents or distributor for supplying the UBS Accounting System. The software is sold in a package at different price depends on the needs that suits their buyers. Their buyer can choose whether to buy just the software, or plus installation and training and Crossworld even provide filing skill which is the proper way to kept all the company's documents. By adding filing in the package, it will help to organize their document orderly so

that it will help as a reference for the management use. The company will send out his representatives to provide the installation and training to interested clients at their premises. If any problem, malfunction, question, etc arise, the buyer can at anytime during the office hour contact the company for consultation and usually it is free of charge.

#### 1.1.5 Objective of Company.

The company's main objective is to provide a quality and credibility accounting services to all its clients. Since every company that are registered with CCM, Company's Commissioner of Malaysia (formally known as ROC and ROB) must prepared a complete full set of accounts every their accounting period. This regulation makes companies such as Crossworld comes in handy for a company that does not have it own accountant. They can simply hire Crossworld to manage their account. This complies with the Company Act 1965 which regulated that all the company must prepares its accounts at the end of accounting period.

### 1.1.6 Mission Statement.

The mission statement of Crossworld is:

“To be a recognized group of professionals who form part of our client’s value creation chain”.

Based from the above statement we can conclude that Crossworld is very serious and aims an highly standard for all its staff to strive out and give a full effort to become and possesses the ethical value of a professional while preparing the account so that their client is pleased and recognized their work to be the best. They wanted their clients to understand the importance of their work as important as auditing, company secretarial practices, etc.

### 1.1.6 Working Hours

Normal working hours as follow:

Monday – Friday                      9:00am to 6:00pm

\*Lunch break will start from 12:30pm till 2:30pm. The staff will have their turn for lunch breaks. The reason for take turns for lunch so that the company will not be empty for security and receiving phone calls. Lunch break must not exceed an hour. On Friday, all the male staff was given a longer time of breaks start from 12:15pm till 2:15pm for attending the Friday’s Prayer.