

N A M A<sup>®</sup>





# NAfMA 2011

National Award for Management Accounting

## **About** The NAfMA Trophy

Crafted by Royal Selangor, the trophy is an impressive coalescence of pewter and acrylic. The irregular outlines that converge at the pinnacle depict an upward trend of growth and profitability. The clear acrylic symbolises efficiency and transparency in the organisation.

It comes complete with clusters of blooming Hibiscus, our country's national flower, giving the composition of a distinctive Malaysian identity. Mounted on a solid wooden base, it captures the aspiration of the organisation as it strives towards business excellence.



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- NAfMA Self-Assessment Questionnaire - Small and Medium Enterprises
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- NAfMA Submission Report - Public-Listed and Non-Listed Companies
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## ■ Foreword

The Malaysian Institute of Accountants (MIA) and The Chartered Institute of Management Accountants (CIMA), Malaysia Division, are pleased to announce NAfMA 2011. This is the eighth year that the competition for management accounting best practices is being held after the successful inaugural NAfMA 2004.

The Award began as a project on benchmarking of management accounting practices by the Financial and Management Accounting Committee (FMAC) of MIA, now known as the Professional Accountants in Business (PAIB) Committee, in 2003. An award for best practices in management accounting for Malaysian companies was then conceptualised. At the same time, CIMA Malaysia Division was moving towards the profiling of management accounting as its core competency. Subsequently, both parties came together to collaborate on a national award for management accounting best practices. The CIMA-UiTM Management Accounting Research Centre (AMARC) and the Malaysia Productivity Corporation (MPC) were then invited as partners of NAfMA to contribute their professional expertise for the award.

The NAfMA competition saw companies vying for the awards in three categories – Excellence, Best Practice and Practice Solution. In 2005, we introduced awards for small and medium enterprises (SMEs) with an annual turnover of less than RM25 million or with full-time employees not exceeding 150. The participation of SMEs in NAfMA is significant as we recognise their contribution towards the nation's economy. In 2009, we introduced the SME Star award for the SME company that showcases the best practices in management accounting. This year, NAfMA is also open to cost centre companies which practise successful management practices and tools with at least two years proven track record of cost saving.

We have seen how management accounting has evolved over the years, from a focus on cost determination and financial control in the 1950s to a focus on the creation of value for stakeholders from the late 1990s until now. Management accounting has evolved in synergy with the business environment and has played a vital role in the performance of successful businesses. NAfMA has shown how management accounting techniques and tools have contributed to superior performance and companies that have best practices in management accounting have an edge over their competitors.

We gratefully acknowledge Public Bank as the main sponsor of NAfMA since 2004. We also appreciate the official support of the Accountant-General's Department of Malaysia, the British Malaysian Chamber of Commerce, the Federation of Malaysian Manufacturers, the Malaysian International Chamber of Commerce and Industry and the SMI Association of Malaysia.



## ■ Foreword continued from page 02

NAfMA represents part of our collective journey towards attaining Malaysia's 2020 vision. We look forward to the support of all companies, both public-listed and non-listed, as well as SMEs, to submit their applications for NAfMA 2011. Rest assured, companies that participate in NAfMA will have the opportunity to be benchmarked against the best in industry.



Francis Chan

**Divisional President**  
CIMA Malaysia Division



Abdul Rahim Abdul Hamid

**President**  
Malaysian Institute of Accountants



Yeo Tek Ling

**Chairman**  
NAfMA Organising Committee



## ■ Organisers and Awarding Bodies

### **Malaysian Institute of Accountants**

The Malaysian Institute of Accountants (MIA) is a statutory body established under the Accountants Act, 1967 to regulate and develop the accountancy profession in Malaysia. To date, MIA has close to 27,000 members. MIA's regulatory role is carried out through the following approaches:

- Having an effective and competitive assessment framework in admitting members into MIA to ensure that the profession is able to meet public expectations where its human capital is concerned.
- Meeting the education and development needs of members as part of a commitment to help members be knowledgeable and maintain their relevance in today's markets.
- Implementing professional standards and practices based on internationally accepted guidelines as standards and By-Laws for members to comply with in maintaining the integrity of the profession.
- Having in place a robust disciplinary system for those who fail to comply with these standards and By-laws.

In addition, MIA monitors international and local accounting trends and developments, and consults regularly with the government and regulatory bodies.

### **MIA-AFA Conference 2011**

MIA is hosting the MIA-AFA Conference 2011 from 2-3 November at the Kuala Lumpur Convention Centre. The Conference is organised in conjunction with the 17th edition of the ASEAN Federation of Accountants (AFA) Conference. Known as MIA-AFA Conference 2011, (<http://mia-afa2011.mia.org.my>) it is targeted to attract over 2,500 delegates from 10 ASEAN member countries comprising the region's most influential thought leaders in accounting, finance and business to share and to gain fresh insights on cutting-edge information on global trends, issues and challenges affecting business and the environment in which they operate.

### **The use of the word 'accountant'**

In Malaysia, the word 'accountant' is protected as provided for under the provisions of the Act which states that no one can hold himself out or practise as an accountant unless he is registered as a member of MIA.

For more information about MIA, please visit [www.mia.org.my](http://www.mia.org.my)

### **The Chartered Institute of Management Accountants**

The Chartered Institute of Management Accountants, founded in 1919, is the world's leading and largest professional body of Management Accountants, with 183,000 members and students operating in 168 countries, working at the heart of business. CIMA members and students work in industry, commerce and not-for-profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its qualification, professional experience requirements and continuing professional development to ensure it remains the employers' choice when recruiting financially-trained business leaders.

CIMA is committed to upholding the highest ethical and professional standards of members and students, and to maintaining public confidence in management accountancy. CIMA is proud to be the first professional accounting body to offer a truly global product in the fast-moving area of Islamic Finance.

According to independent research conducted by the University of Bath School of Management, CIMA's syllabus and examination structure are the most relevant to the needs of business of all the accountancy bodies assessed. See the CIMA Difference report for further information at [www.cimaglobal.com/thecimadifference](http://www.cimaglobal.com/thecimadifference)

For more information about CIMA, please visit [www.cimaglobal.com](http://www.cimaglobal.com)

Follow us on Twitter at [www.twitter.com/CIMA\\_News](http://www.twitter.com/CIMA_News)



## ■ Partners

### **The CIMA-UiTM Asian Management Accounting Research Centre**

The CIMA-UiTM Asian Management Accounting Research Centre (AMARC) was formed on 19 December 2003 with the signing of a Memorandum of Understanding (MOU) between CIMA Malaysian Division and Universiti Teknologi MARA (UiTM). Under the MOU, UiTM will manage AMARC as an empirical research centre and conduct qualitative and applied research in the field of management accounting while CIMA will provide technical advice and assist in the dissemination of AMARC's research findings. In addition, AMARC collaborates with Asia-Pacific Management Accounting Association (Japan) and CIMA (UK).

To date, AMARC has successfully completed a number of research projects which include: case studies for the International Federation of Accountants (IFAC); five case study books (2004, 2005, 2006, 2008) for the National Award for Management Accounting (NAfMA); Prime Minister Exchange Fellowship Grant project entitled 'Integrated Strategic Governance (ISG) Dashboard'; and the Ministry of Higher Education's Foundation Research Grant Scheme with a research entitled 'Total Factor Productivity – a preliminary study'.

From these research projects, numerous papers have been produced and presented at conferences and also published in national and international journals. Since 2006, AMARC was entrusted to manage Asia-Pacific Management Accounting Journal (APMAJ).

AMARC has also produced several products such as the NAfMA assessment framework, Value Matrix, ISG Dashboard and Directouch. These products have won several awards at various international and national innovation competitions. In June 2005, NAfMA won the prestigious XEROX Innovation award at INPEX 2005, Pittsburgh, USA. In 2007, ISG Dashboard won a silver medal at the Belgian and International Trade Fair for Technological Innovation. NAfMA and ISG Dashboard have obtained their respective trademarks and copyright.

Besides consultancy activities, AMARC has also organised several national and international management accounting forums and workshops.

For more information about AMARC, please visit <http://ari.uitm.edu.my/>

### **Malaysia Productivity Corporation**

The Malaysia Productivity Corporation (MPC) is a statutory body under the Ministry of International Trade and Industry. Established in 1962, it was formerly known as the National Productivity Corporation. Until recently, with effect from 21 February 2008 National Productivity Corporation (NPC) is now officially known as Malaysia Productivity Corporation (MPC). MPC has intensified its efforts in enhancing Productivity and Quality (P & Q) through its main activities in research, training and systems development, benchmarking and best practices, national competitiveness and promotion. MPC emphasises research programmes that produce productivity index for industries and sectors in Malaysia. MPC also focuses on productivity and quality enhancement activities through its research projects, concentrating on enhancing competitiveness.

MPC facilitates the Prime Minister Quality Award, Quality Management Excellence Award and Productivity Award for the private sector. It also propagates small-group activities called Innovative and Creative Circle (ICC). At the international level, MPC has established networks with agencies such as the Asian Productivity Organisation, World Confederation of Productivity Science, Japan International Cooperation Agency, International Labour Organisation, Institute for Management Development and World Economic Forum to share experiences and knowledge to enhance P&Q initiatives among member countries.



MPC was awarded the United Nations Public Service Award in recognition of its Interactive e-Benchmark System for its benchmarking communities.

For more information about MPC, please visit [www.mpc.gov.my](http://www.mpc.gov.my)

## ■ Main Sponsor

### **Public Bank Berhad**

Public Bank, established in 1966 as a bank for the public, is today a financial institution par excellence renowned for its quick and efficient service delivery, strong corporate governance and industry-leading profitability.

The Public Bank Group offers attractive products and services catering to the needs of discerning customers. Packaged under such categories as commercial banking, retail wealth management, Islamic banking, investment banking and stock broking, these offerings are made available to customers via the large and well-distributed network of full-service branches in Malaysia and the Asia Pacific region.

Public Bank's unwavering commitment to excellence and outstanding financial performance year after year has had the Group growing in size and stature. Today, it is the largest non-government linked corporation in Malaysia by market capitalisation. It also has industry best asset quality.

An award-winning financial institution, as at to date Public Bank has received over 300 accolades of exemplary corporate excellence from international and domestic institutions, including many repeat Best Bank and Best Corporate Governance Awards.

For more information about Public Bank, please visit [www.publicbank.com.my](http://www.publicbank.com.my)



## ■ Objectives

The objectives of NAfMA are:

- To recognise organisations adopting best practices in management accounting and creating value that leads to business excellence.
- To promote the application of management accounting techniques and systems within organisations in Malaysia in the pursuit of world class business performance.

## ■ Entry Requirements

The Award is open to:

- Companies listed under the Bursa Malaysia Securities Berhad
- Non-listed companies in Malaysia
- Small and Medium Enterprises with annual sales turnover not exceeding RM25 million or with full-time employees not exceeding 150

Companies must have at least 2 years profit track record within the last 3 financial years

- Cost centre companies which practise successful management accounting practices and tools, with at least two years proven track record of cost saving.

Applications will be on a voluntary basis as disclosure of management accounting practices within the Company will be required

## ■ Assessment Criteria

The areas of assessment include the following:

### **Leadership**

Leadership describes the top management's commitment and responsibility in driving the organisation towards its vision and strategic goals. This section focuses on management support for the management accounting applications in the organisation.

### **Management Accounting Information**

This section describes the strategic functions of management accounting in the formulation and implementation of organisational objectives. Effective management accounting information focuses on accessibility, reliability and timeliness of the information.

### **Resource Management**

Resource Management focuses on the overall career development for accounting personnel within the organisation. Specifically, it addresses issues on career opportunity, training, recognition, incentives and other continuous improvements.

### **Customer / Market Focus**

This section highlights the steps taken by the organisation in establishing its market niche and in fulfilling customers' needs and satisfaction. Strategically, it addresses techniques used to meet market demand.



### **Partnership Management**

Partnership Management refers to the organisation's strategic approaches in managing relationships with its various stakeholders (e.g. Government, suppliers, customers, employees and the community at large) in achieving a win-win situation.

### **Value Creation**

Value Creation focuses on the deliberate steps taken by top management as well as other personnel in promoting value added activities. The outcome is overall value enhancement for the company (financially or otherwise). Value Creation is the fourth stage of IFAC Management Accounting Evolution (please refer to Appendix I).

### **Business Results (Performance Measurement)**

This section summarises the application of the various management accounting techniques to improve business results.

### **Corporate Social Responsibility**

Corporate Social Responsibility is practiced by many organisations and due recognition will be given. Items covered in this section include attributes such as environmental commitment including environmental management accounting, community services and the like.

## **Assessment**

### **Panel of Assessors**

The Panel of Assessors consists of persons who have been selected based on their qualifications and relevant experience in the management accounting areas.

The Panel of Assessors is divided into groups of two to three assessors who will carry out the assessment process under the supervision of the Assessment Committee.

The duties of the Panel of Assessors are:

- To evaluate the submissions made by the applicant against the NAMA Assessment Criteria.
- To conduct site visits to selected companies to obtain confirmation and clarification on the information submitted.
- To recommend winners to the Panel of Judges.

### **Panel of Judges**

The Panel of Judges comprises six members, which includes representatives from the accountancy profession, business organisations, academia and public sector. The Panel of Judges shall decide the recipients of the respective Awards and the decisions shall be final.



# Public Listed and Non-Listed Companies

## Type of Awards

### Excellence Award

This is the top award for the organisation with outstanding best practices in management accounting.

### Best Practice Award

This award is for best practices, focusing on fully implemented management accounting systems that set new standards or introduce innovations in the workplace. These systems have been benchmarked and tested, and outcomes have been carefully measured, evaluated and documented. Best Practices will generally have broad impact and applicability within a particular organisation.

### Practice Solution Award

This award is for application of the most effective management accounting system, tool or technique that has had a positive impact on daily practice. This application may have led to quality or process improvement, improved efficiency, lowered costs, or otherwise addressed a particular problem in the workplace.

## Award Categories



## Assessment Process

### How You Are Assessed

The assessment process consists of 3 stages:

- i) Preliminary Assessment
- ii) Detailed Assessment
- iii) Site Visits



### **i) Preliminary Assessment**

All companies are invited to submit the NAfMA Self-Assessment Questionnaire (SAQ) and NAfMA Submission Report (NSR). The NAfMA Self-Assessment Questionnaire must be submitted together with the NAfMA Submission Report by the closing date.

All completed applications will undergo the Preliminary Assessment process to ensure compliance with the Entry Requirements. An applicant will qualify for the next stage if the Entry Requirements have been fulfilled.

### **ii) Detailed Assessment**

A Panel of Assessors will be assigned by the Assessment Committee to review information submitted by the applicant in the format prescribed in the NAfMA Self-Assessment Questionnaire and NAfMA Submission Report.

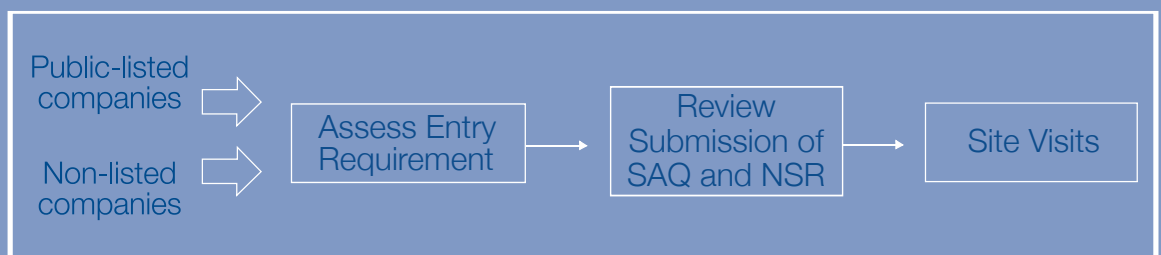
The Assessors will review each submission on its own merit based on the following criteria:

- i) Leadership
- ii) Management Accounting Information
- iii) Resource Management
- iv) Customer/Market Focus
- v) Partnership Management
- vi) Value Creation
- vii) Business Results (Performance Measurement)
- viii) Corporate Social Responsibility

### **iii) Site Visits**

The Assessors may conduct site visits to the selected applicants' premises to obtain confirmation and clarification on information submitted.

### **Assessment Process**





## ■ Small and Medium Enterprises (SMEs)

### Type of Awards

#### **SME Star Award**

This is the top award for the organisation with outstanding best practice in management accounting within the SME category.

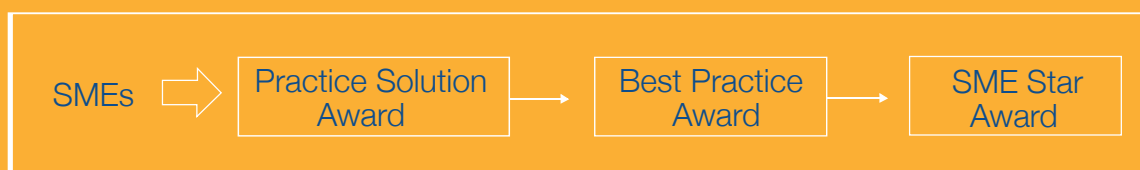
#### **Best Practice Award**

This award is for best practices, focusing on fully implemented management accounting systems that set new standards or introduce innovations in the workplace. These systems have been benchmarked and tested, and outcomes have been carefully measured, evaluated and documented. Best Practices will generally have broad impact and applicability within a particular organisation.

#### **Practice Solution Award**

This award is for application of the most effective management accounting system, tool or technique that has had a positive impact on daily practice. This application may have led to quality or process improvement, improved efficiency, lowered costs, or otherwise addressed a particular problem in the workplace.

### Award Categories



## Assessment Process

### **How You Are Assessed**

The assessment process consists of 2 stages:

- i) Preliminary Assessment
- ii) Site Visits

### **Assessments**

All companies are invited to submit the NAFMA Self-Assessment Questionnaire. All completed applications will undergo the Preliminary Assessment process to ensure compliance with the Entry Requirements. An applicant will qualify for the next stage if the Entry Requirements have been fulfilled.

A Panel of Assessors will be assigned by the Assessment Committee to review information submitted by the applicant in the NAFMA Self-Assessment Questionnaire in short-listing companies for site visits.

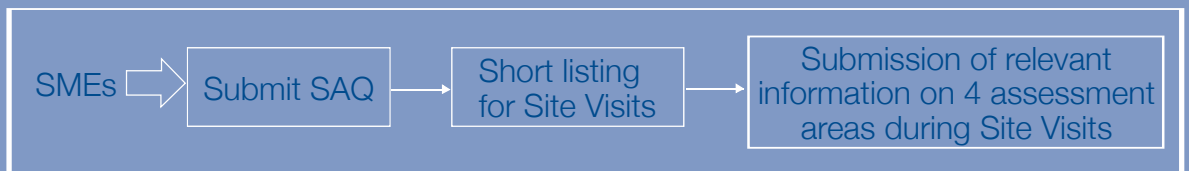


### Site Visits

An applicant, which has been short-listed by the Assessment Committee will be notified prior to the site visits. The applicant will be required to prepare the relevant information for the site visits.

The Assessors may conduct site visits to the selected applicants' premises to obtain confirmation and clarification on information requested.

### Assessment Process



## ■ Confidentiality and Non-Disclosure

All submissions received shall be kept confidential by the NAfMA Organising Committee and its secretariat. Such information is available only to the assessors, judges and any other individual directly involved in the assessment and administrative process.

The NAfMA Organising Committee will take all reasonable actions to ensure that applications and information therein are treated in strict confidence.

The NAfMA Organising Committee reserves the right, subsequent to the Award presentation, to write case studies on the achievement of the Award recipients, and to publish and make public such case studies unless informed otherwise in writing to the NAfMA organisers by the Award Recipients as a step towards sharing of knowledge and best practices in the field of management accountancy in the spirit of national interest.

## ■ Use of NAfMA Logo by Award Winners

NAfMA winners are entitled to use the NAfMA logo in promotional materials. Detailed guidelines will be provided to Award winners.



## ■ **Organising Committee**

Mr Yeo Tek Ling - Chairman

### **Malaysian Institute of Accountants**

Ms Ho Foong Moi

Ms Zulfa Abdul Rahman

### **CIMA Malaysia Division**

Mr Chandra Mohan Balasubramaniam

Mr Francis Chan Feoi Chun

Mr Michael Eow Kwan Hoong

Mr Amargit Singh

Mr Venkkat Ramanan

Ms Karen Yeap

Ms Chan Siew Lian

Mr Lim Soon Pheng

Ms Harmini Nair

### **CIMA-UiTM Asian Management Accounting Research Centre**

Professor Dr. Ibrahim Kamal Abdul Rahman

Professor Dr. Normah Omar

Professor Dr. Suzana Sulaiman

### **Malaysia Productivity Corporation**

Mr Fred Lew



## ■ Enquiries

For more information about NAFMA 2011, please contact:

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## ▪ **Notes**



## ■ Notes

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