

INDUSTRIAL TRAINING REPORT AT  
TANG HENG LONG & CO

BY

LIM PEK LING  
BACHELOR OF ACCOUNTING (Hons.)

INDUSTRIAL TRAINING REPORT SUBMITTED TO:

DEPARTMENT OF ACCOUNTING AND FINANCE  
FACULTY MANAGEMENT AND ECONOMIC  
UNIVERSITY COLLEGE OF SCIENCE AND TECHNOLOGY MALAYSIA  
(KUSTEM)

2004



**INDUSTRIAL TRAINING REPORT AT  
TANG HENG LONG & CO**

**BY**

**LIM PEK LING  
BACHELOR OF ACCOUNTING (Hons.)**

**INDUSTRIAL TRAINING REPORT SUBMITTED TO:**

**DEPARTMENT OF ACCOUNTING AND FINANCE  
FACULTY MANAGEMENT AND ECONOMIC  
UNIVERSITY COLLEGE OF SCIENCE AND  
TECHNOLOGY MALAYSIA  
(KUSTEM)**

**2004**

**1100032970**

## CONTENTS

	<b>Page</b>
APPROVAL SHEET	I
PREFACE	II
ACKNOWLEDGEMENT	IV
LIST OF FIGURES	V
EXECUTIVE SUMMARY	VI
<b>Chapter 1 Industrial Training Report of Tang Heng Long &amp; Co</b>	
1.1.0 Introduction	1
1.2.0 Vision, Mission And Values of Company	
1.2.1 Vision	2
1.2.2 Mission	2
1.2.3 Values	2
1.3.0 SWOT Analysis	
1.3.1 Strength	3
1.3.2 Weaknesses	4
1.3.3 Opportunity	5
1.3.4 Threat	5
1.3.5 Suggestion	6
1.4.0 Organization Structure	7
1.5.0 Plan of Company	
1.5.1 For a Trainee	8-9
1.5.2 For Tang Heng Long & Co	10
1.6.0 Objective of Industrial Training	11
1.7.0 Summarization of Log Book	
1.7.1 October to November (2003)	12-13
1.7.2 December (2003) to January (2004)	14
1.7.3 February to March (2004)	15-16
<b>Chapter 2 Internal Control System</b>	
2.1.0 Introduction	
2.1.1 Definition	17-18
2.1.2 Objectives	19-20
2.1.3 Limitation	21-22
2.2.0 Background of Company	
2.2.1 Introduction	23

2.2.2	Vision	24
2.2.3	Mission	24
2.2.4	Analysis problem	25-27
2.2.5	Organizational Chart	28-30
2.3.0	Existing Internal Control	
2.3.1	Sales Cycle	
2.3.1.1	Sales Department	31
2.3.1.2	Cash receipt Department	32
2.3.1.3	Billing Department	33-34
2.3.1.4	Warehousing Department	34
2.3.2	Purchases Cycle	
2.3.2.1	Purchases Processing Department	35
2.3.2.2	Cash Disbursement Department	36-37
2.3.3	Payroll Department	38
2.4.0	Chart of Each System	39-40
2.5.0	Identification of Weaknesses	
2.5.1	Sales Department	41-45
2.5.2	Purchases Processing Department	46-48
2.5.3	Payroll Department	49
2.5.4	Board and Management Department	50-51
2.6.0	Recommendation	
2.6.1	Sales Department	52-53
2.6.2	Purchases Processing Department	54-55
2.6.3	Overall Suggestion	56-60
<b>Chapter 3</b>	<b>Conclusion</b>	
3.1.0	Conclusion for Chapter 1	61
3.2.0	Conclusion for Chapter 2	62-64

Bibliography

Appendix

## APPROVAL SHEET

I, **Lim Pek Ling**, hereby, certify that the project of industrial training report for the course **AKN 4799**, is fully my endeavours.

Signature

---

LIM PEK LING

30 APRIL 2004

Certified By

---

Pn. Fatimah Hajjah Fatimah

Head,

Department of Accounting & Finance,

University College of Science and

Technology Malaysia

---

Pn. Nor Raihan

Supervisor,

Department of accounting & Finance

University College of Science and

Technology Malaysia

## **PREFACE**

Accounting Department of University College of Science and Technology Malaysia (KUSTEM) has created a course named AKN 4799 Industrial Training as part of the four years Accountancy degree program. This is one of the courses among the Accounting programme and gives eight credit hours. The estimate time to finish this course which totals up to 24weeks from 6<sup>th</sup> October 2003 until 19<sup>th</sup> March 2004. Within this period, the student will make comparison between the knowledge learnt from the class and industrial training. In addition, it also provides opportunity for the undergraduate to face reality and hands-on training to upgrade their knowledge and skills in the related field.

During the industrial training, there is an industry supervisor from our university KUSTEM to monitor and advise the undergraduate. The supervisor also makes visits and interviews to further understand the situation of the student in the new environment.

Besides that, a Log Book is prepared to record all the activity done by the undergraduate. At the same times, an evaluation form is provided to the supervisor from the industry to evaluate the undergraduate's progress and performance. After the end of the industry training, the undergraduate has to complete report within a month.

I did my industrial training at an audit firm located in Pontian, Johore where I am attached to Accounts and Taxation Department. In that period, I had put myself into the real business workplace. I try my best to solve all the problems faced by the division and treated them as a new challenge for me. There I gained new knowledge

and experience that cannot obtain from the study. At this point of time, I held my own principle to learn the good practice and ignore the bad. As a trainee, I get the chance to act as independent person in auditing and learn the full set of accounts prepared in the audit firm.

Tang Heng Long & Co is small and medium accounting firm which is located in the center town of Pontian. The main activities of that firm are mostly on accounting, taxation, and some secretarial works. So I was placed in the accounting and taxation division because I need to familiarize with the basics using manual system. The advantage of this system that is I can learn in detail, as I train up my double entry skills and can detect error quickly.

The industry training report is more about the operation of a company and the identification of internal control includes its existing system and weaknesses. Chapter 1 includes the introduction of the audit firm which I did my practical, what I have done in that company and whether the objective of the practical achieved according to what I have been plan. Besides that, the chapter 2 is contains the internal control of a company and to determine the weaknesses of the existing system in order to gives the suggestion as a auditor's view.

This report is designed only for reference. The information in this report is private and confidential and it should not be distributed without authorization.

## **ACKNOWLEDGEMENT**

With all the effort and help from many sources I finally complete this report. I appreciate for the experiences and challenges which I have gained in the process of my training. It makes a new starting point of my life.

First of all, I would like to thank my lecturer Encik Ahmad Fahkaruddin which had spent out most of his time guiding me on this report and make visits to my working place during my industrial training. On the other hand I want thanks to Puan Nor Raihan too to advice me in amend my final report, so that my report can success complete in time.

Besides that, I want to thanks Mr. Tang Heng Long the owner of the firm which is act as my supervisor during period of my industrial training. I appreciate their patience and tolerance during my industry training.

I also take this opportunity to express my gratitude to Kolej University Sains dan Teknologi Malaysia (KUSTEM) for establishing this course of Industrial Training and to Tang Heng Long & Co for giving me a chance to explore the accounting and taxation knowledge.

Finally, I would like to thank all the KUSTEM employees which had put their efforts in helping me in the industrial training. Thanks.

## LIST OF FIGURES

<b>No.</b>	<b>Description</b>	<b>Page</b>
Figure 1	Organization Chart of Tang Heng Long & Co	7
Figure 2	Organizational Chart of Plaza Pontian	28
Figure 3	Sales and receipt cycle	39
Figure 4	Purchases and payment system	39
Figure 5	Control of purchasing and payment cycle	40
Figure 6	Payroll cycle	40

## EXECUTIVE SUMMARY

After six months of industrial training at Tang Heng Long & Co, I produce what I have learnt. To finish this report the methodology which I use to get the knowledge I went through the primary and secondary data collection.

For the primary data, I myself got hands-on training in the taxation department at Tang Heng Long & Co as a trainee. There I get the resource knowledge from the staff at Tang Heng Long & Co. I communicated with them and interviewed them to gain more information. As for the secondary sources, I get them from the internet and reference books, I also have interviewed the targeted company and observed the operation and controls of the company.

As for my Report A, Tang Heng Long & Co is the only accounting firm in Pontian area. Since the area is small, Tang Heng Long & Co commenced the business with his ability and had monopolized the market here due to the strategic location. Moreover, Mr. Tang Heng Long is a Malaysia Institution of Accountant (MIA) member and it act as an advantage for this firm.

In the chapter 1, it describes the background of the company. The company shows that it no has department division because it only has a few staff working there. So in this situation, no segregation of duty between the staffs can be done and they know what tasks should be performed. As I mentioned above, this company is a small accounting firm, so the principle activity is on accounting and taxation works, some even secretarial works.

This report A also contains the company's own business strategic. First Tang

Heng Long & Co should have an analysis on their strength, weaknesses, opportunity and threat (SWOT Analysis). I realize that Tang Heng Long & Co gains its strength with its strategic location, as for opportunity, the company may develop more clients because of the nearby shop houses to be built. So the more company being set up the business and the more new customer will refer their accounts to the firm. However, the company should be aware of the weaknesses found in the company that in the long run can become a threat for the company.

On the other hand, Report B is focused on the existing internal control system in Plaza Pontian Sdn Bhd. Plaza Pontian Sdn Bhd is one of the firm's clients and I took it as my research company. After the interview with the manager, I knew the existing system and management of the company. From my observation, I also found some weaknesses of the existing system in sales cycle and purchases cycle. Therefore, I gave some suggestion to solve this problem.

A poor system can make the company slow down their work and the absence of good policies may cause difficulty on the company to control the system. Later on the company may lose their reputation. An improvement of the internal control is important for the company to build a relationship between the clients and employees of the company. A strong employee's motivation is an advantage for increase production of the company.