

Smiling Tiger, Roaring Dragon

Meet a paragon of internal audit, who turned a low-profile profession into a high-flying career of achievement and accomplishment, managing risks and governance for a variety of corporations

■ BY NAZATUL IZMA

AT GUINNESS ANCHOR MALAYSIA, WEE HOCK KEE EARNED the paradoxical nickname of 'The Smiling Tiger.' Why? Because, says the gangling and mild-mannered internal auditor, 'internal auditors must be able to differentiate between being a policeman in the case of fraud, and being a consultant to management, a true business partner providing a service relating to internal controls.'

As the Internal Auditor of the Year 2001, awarded by the Institute of Internal Auditors Malaysia, Wee does a fair bit of publicity to raise the low profile of these risk controllers. Currently, the tireless Wee is trying to market internal audit as a key function. 'I'm trying to get businesses to bring the group internal audit function into the main fold. People shouldn't treat this like a backroom function. So now I'm marketing the internal audit profession by re-imaging and re-positioning this role.'

So devoted is Wee to the cause of internal audit that he recently held an evening talk for the IIA, where he passionately convinced some 50 of his peers to do more in marketing the internal audit function as a key component of enterprise. Wee is also selling internal audit as a good career choice.


'Traditionally, people think that internal audit is a backroom, second-tier job, that there's not much glamour involved.' But with the high profile earned by internal audit stars such as Worldcom's Cynthia Cooper, who blew the whistle on the telco's US\$3.8 billion accounting fraud, the industry seems set for a timely renaissance.

Says Wee in full marketing mode, 'Make internal audit a first career choice. In fact, make governance your first career choice.' Where compensation is concerned, says Wee, internal audit is no longer perceived as a second-tier career option. 'In fact, remuneration levels have improved to match the salaries and perks of CFOs (chief financial officers).'

Wee certainly has no regrets about being immersed in risk management. Initially, though, the ACCA graduate was shooting for a first job in external audit with the Big Five, now trimmed down to the Big Four thanks to the American corporate scandals which devastated Arthur Andersen. However, the tepid job climate meant that response from the Big Five was poor, so Wee accepted an offer as internal audit trainee at soft drinks giant Fraser & Neave.

'After three years in the soft-drink industry, I began to like internal audit and rose to the rank of full-fledged auditor,' relates Wee. Then came the crucial part of his career, when he left to join ICI-UK Chemicals, 'a one-time giant and a very good company. I still think ICI is the most exciting company where I worked during the incubation period of my career.' His five years in ICI was replete with highlights, one of which was spearheading the internal audit function in Japan.

'That was tricky because Japan is a different market with different culture,' recounts Wee. The Japanese dependence on not 'losing face' made it especially difficult, because effective internal audit involves gentle criticism of the status quo, which would



In a diverse career spanning over 18 years, internal auditor Wee Hock Kee lived and breathed risk management before Enron and Worldcom imploded. Now, Malaysia's poster child for internal audit — and Malaysia's Internal Auditor of the Year in 2001 — wants to market the internal audit function as an indispensable organ in the body corporate.

PIX: RAZALI MOHAMMED

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entail losing face. But he finally managed to get acceptance and a buy-in of internal audit's value in Japan. Elsewhere, ICI also trained Wee as an IT systems auditor. And Wee was given the chance to lead an ISO9002 audit for internal audit. Says Wee, 'At that point, ISO9002 certification was very rare for services and even more so for the internal audit process.'

After five years with ICI, Wee was earmarked for secondment in the UK, but there were no openings. He left to join Guinness Anchor Malaysia Berhad. 'This was a breakthrough for me because I came in to set up the internal audit function for the local set-up.' It was here that the Smiling Tiger laid the control bedrock and brought some order to the volatile environment of a brewery.

Wee then moved on to CCL Singapore after a short stint at Guinness. CCL offered a meatier challenge since it was the holding company for four listed companies – two in Malaysia and two in Singapore. 'I had to handle four listed companies and four audit committees. And when I first stepped into the job, the internal audit function at one of the PLCs was outsourced to a Big Five firm. My mandate was to bring back the internal audit account from the Big Five within a year. Which I did by re-imaging and re-positioning the function, with high deliverables to the Audit Committees,' relates Wee.

If ICI changed his career, then Wee's next job following CCL transformed his life. After a decade of serving in multinationals, Wee joined a local listed company (which he refuses to name in this article) as the chief internal auditor. The tempo of his career changed dramatically when after eight months, he became the special assistant to the chief executive officer, who owned a large chunk of the family-controlled company.

'I took up the challenge and handled the listed company as well as the CEO's other private companies. In terms of managing grey areas of business, I learnt a lot. And I was highly empowered in terms of being able to provide critical input in decision-making.

Wee was just 33 at the time, but he ended up 'playing a very senior role. There was no doubt that he was occupying a very senior position in the company and had earned the trust of the CEO because his areas of responsibility kept increasing,' comments Bob Olivier, Chairman of ASPAC Search. Although Olivier did not know Wee at that point in time, his executive search firm had placed Wee in that particular listed company. 'As an organization, we thought he was pretty good. In fact, I first met him at

that listed company. I think very highly of him. He's very professional, a very nice guy to deal with, very helpful and a very hard worker.'

'Wee learnt an enormous amount about big business there,' notes Olivier. But after three hectic years in which he gained 'invaluable experience', Wee decided to opt out from the entrepreneurial organisation. After some soul-searching, he decided to return to a multinational environment and won his current post as Regional Audit Director for the whole of Asia Pacific and South Africa at AstraZeneca Plc, which is one of the world's top healthcare companies and the result of a 2000 merger between UK-based Zeneca and Swedish-based Astra.

AstraZeneca is also a beacon in internal audit, having recently won the CFO Europe Best Practices Award for 2001 in the Risk Management category. Wee attributes their stellar performance to a strong control culture in providing direct assurance, where line managers are responsible for establishing the embedded internal controls framework in their portfolios of responsibility. AstraZeneca also boasts a dynamic self-assessment culture for risk management.

'Annually, in October, the CEO will write to each company head to ask what elements of their operations carry the most risk. This process also checks whether there's compliance, and if there are any failures of internal controls that surpass US\$100,000.' Although on a company-by-company basis certain risks may look miniscule, an accurate picture or risk map emerges when these risks are lumped together at group level. Using this risk-mapping technique, AstraZeneca can prioritise its risks and manage them in the highly competitive pharmaceutical industry.

'The end product of this risk mapping can also be used for risk insurance. It's up to the line manager whether he wants to insure the risk or prefers to not insure the risk and manage it himself.' These risks, points out Wee, run the gamut, ranging from delay in the issuance of major new drugs to failure to retain experienced and talented people, which also counts as a 'business interruption risk.'

Wee admits it is not easy to persuade a company to accept accountability and self-assessment policies swiftly. Like other governance issues such as transparency and environmentalism, risk management requires a heroic proponent at senior levels. At AstraZeneca, group CFO Jon Symonds took up the mantle of risk management champion.

Exequiel Lampa, Marketing Company President of AZ Pharmaceuticals (M) Sdn Bhd, estimates that AstraZeneca internal audit has been 'quite proactive in introducing new ideas and a robust internal control environment. At the same time, their role has been expanding beyond traditional internal audit to include overall risk management which entails among others corporate governance issues. Due to their suggestions,' says Lampa, 'Operations personnel are now more conscious of checks and balances. I'm not saying that the environment is now more rigid, but that there is a balanced approach between internal efficiency and robust controls.'

Such a balanced approach in governance is crucial to promoting business agility. 'Wee is a very level-headed person and flexible to a certain degree. He doesn't have a one-track mind that would insist on procedures that constrain business. Neither does he have the traditional stifling policing mentality,' says Lampa. Nonetheless, Wee brooks no compromise when conditions do not allow flexibility. 'If principles and procedures are seriously impaired, he would not permit this,' notes Lampa.

Today, Wee is ensconced at AstraZeneca, overseeing a team of seven people, and his daily routine seems very comfortable. So comfy, in fact, that the writer asks him what's next on the horizon. 'Everybody asks me that,' he answers with a grin. 'Actually, AstraZeneca is looking for a suitable opening for me within the Group, as the company believes in retaining good staff.'

Already, the internal audit function at AstraZeneca has produced several high-flyers. Recently, Wee lost one of his staff, who became the chief financial officer of AstraZeneca's India operations. Wee likens this to the success of GE's internal auditors, many of whom have gone on to become key senior managers at GE's subsidiaries. 'Internal audit is a boost for career development,' comments Wee.

What about the avenue of consultancy, this writer probes? With Datuk Azman Yahya making waves with his services consultancy Global Symphony, might there not be room for a local outfit focusing on governance services? After all, traditional consultancy firms offering governance and risk control services might be tainted by parallel services such as external audit. In the US, firms like Harbor View are providing highly specialised and lucrative services in the field of governance and risk control. But Wee is non-committal, saying only, 'There are huge opportunities in the field of specialised risk consultancy in this part of the region.'

For now, while he contemplates his next move, Wee is content 'mentoring' his wife in various business ventures, and reading business magazines voraciously to keep on top of current issues. His two sons — one aged 13 and the other 10 — are talented sportsmen, says this youthful-looking dad. 'I send them for proper football and badminton coaching at my recreational clubs every weekend.' In his young days, Wee was a keen amateur footballer and athlete, but exercise is now confined to traversing the hills and valleys of Bukit Kiara every morning at 6.15 am. Says this early bird, 'Exercise sets the mind for the day ahead. It's something in life that gives a sense of achievement and accomplishment.'



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