

**TREASURY MANAGEMENT PRACTICES AT
UNIVERSITI UTARA MALAYSIA**

**A Thesis Submitted to the Faculty of Finance and Banking
in Fulfilment of the Requirement for the
Degree Master of Science (Finance)
Universiti Utara Malaysia**

By

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December, 2006**

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ABSTRAK

Kajian ini bertujuan untuk menilai keberkesanan amalan-amalan pengurusan perbendaharaan di Universiti Utara Malaysia (UUM). Responden kajian terdiri daripada Bendahari dan seorang pegawai kanan di Jabatan Bendahari UUM. Kajian ini adalah satu kajian perbandingan dan instrumen kajian yang digunakan adalah soal selidik dan temu bual bagi pengumpulan maklumat. Kaedah diskriptif telah digunakan untuk menganalisa data. Data yang dikumpul telah dibandingkan dengan kod amalan yang diterbitkan oleh The Chartered Institute of Public Finance and Accountancy (CIPFA), yang menjadi amalan di University of Oxford, United Kingdom. Dapatan kajian menunjukkan bahawa Jabatan Bendahari UUM tidak mengamalkan sepenuhnya amalan-amalan pengurusan perbendaharaan seperti mana kod amalan yang diterbitkan oleh The Chartered Institute of Public Finance and Accountancy (CIPFA). Ia hanya merangkumi sebahagian daripada amalan-amalan pengurusan perbendaharaan yang terdiri daripada unjuran aliran tunai, pelaburan, latihan staf, laporan, penilaian prestasi serta bajet, perakaunan dan pengauditan. Kajian ini memberi kesedaran dan kefahaman akan kepentingan dan fungsi pengurusan perbendaharaan. Sebenarnya, amalan pengurusan perbendaharaan di UUM menjadi lebih relevan berasaskan kepada tindakan kerajaan Malaysia yang berkemungkinan untuk mengurangkan bantuan kewangan di masa hadapan. Tambahan pula, UUM pernah mengalami masalah pengurangan sumber kewangan daripada pihak kerajaan. Oleh itu, bagi memastikan amalan pengurusan perbendaharaan yang optimum, satu rangka kerja pengurusan perbendaharaan telah dibina sebagai satu panduan. Akhir sekali, satu kajian lanjut boleh dibuat ke atas institusi pengajian tinggi tempatan yang lain dan penyelarasannya dengan pihak Kementerian Pengajian Tinggi untuk memperkenalkan satu polisi pengurusan perbendaharaan yang seragam untuk semua institusi pengajian tinggi tempatan di Malaysia menjadi satu kenyataan.

ABSTRACT

The purpose of the study is to evaluate the effectiveness of treasury management practices at Universiti Utara Malaysia (UUM). Respondents of the research are the Bursar and a senior officer of the UUM'S Bursar Department. The type of research is a comparative study and the instruments of information collection used were through questionnaires and interviews. Descriptive method was employed in analyzing the data. The gathered information was compared with the Code of Practice on Treasury management by The Chartered Institute of Public Finance and Accountancy (CIPFA), which is being adopted by University of Oxford, United Kingdom. Result of the research shows that the UUM'S Bursar Department does not fully adopted all the Code of Practice on Treasury management by The Chartered Institute of Public Finance and Accountancy (CIPFA). However, UUM has partially adopted the treasury management practices such as in cash flow forecasting, investment, money laundering, staff training, reporting, performance measurement, and budgeting, accounting and auditing. This study is able to create awareness in understanding the importance and the function of treasury management. In reality, treasury management practice becomes more relevant to UUM in view that its stakeholder, the Government of Malaysia, might reduce future financial assistance. Moreover, UUM is already experiencing reduction of financial resources from government. Therefore, to ensure the optimal practice of treasury management, a framework on treasury management has been established to act as a guidance for the Bursar Department of UUM. Lastly, further research need to be done involving other public higher education institutions, so that a standard policy on treasury management practices for the whole public higher education institutions in Malaysia can be made a reality.

ACKNOWLEDGEMENTS

First and foremost, the highest gratitude to Allah S.W.T and His Prophet Muhammad S.A.W for giving me the strength to completing this project paper.

Thousands of gratitude to my supervisor, Mr Abmalek F. Abubakar for the academic guidance and support, the Bursar of UUM and his senior assistant, Dato' Haji Maidin Bin Syed Ali and Mr Shafie Bin Saad respectively for the co-operation in this research.

Special thanks to my family for all the support and patience, especially my beloved wife and my seven children.

My sincere thanks also goes to all other persons who may be involved directly or indirectly in helping me to complete this project paper.

Thank you.

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LIST OF ABBREVIATIONS

| | |
|-------|--|
| PN4 | Practice Note No.4/2001 |
| HEFCE | Higher Education Funding Council for England |
| CIPFA | Chartered Institute of Public Finance and Accountancy |
| TMP | Treasury Management Practices |
| UUM | Universiti Utara Malaysia |
| MP | Malaysia Plan |
| EFT | Electronic Funds Transfer |
| EBT | Electronic Benefit Transfer |
| UK | United Kingdom |
| MNCs | Multinational Corporations |
| SARB | South African Reserve Bank |
| US | United State of America |
| CHEMS | Commonwealth Higher Education Management Service |
| ACT | Association of Corporate Treasurers |
| MoHE | Ministry of Higher Education |
| REPO | Repurchase Order Agreement |
| IFAS | Integrated Financial Accounting System |
| IPTS | Private Higher Education Institutions |

CHAPTER 1

INTRODUCTION

Human capital with “First Class Mentality” is the main agenda mentioned by the Prime Minister, YAB Dato’ Seri Abdullah Ahmad Badawi when tabling the motion on the Ninth Malaysia Plan (9MP), 2006-2010 at the Dewan Rakyat early 2006. It means that the government emphasizes the development of knowledge, skills, intellectual capital in fields such as science, technology, and entrepreneurship. Due to the most precious manners, the government allocates the biggest percentage for education and training at 20.6 percent (refer to Figure 1).

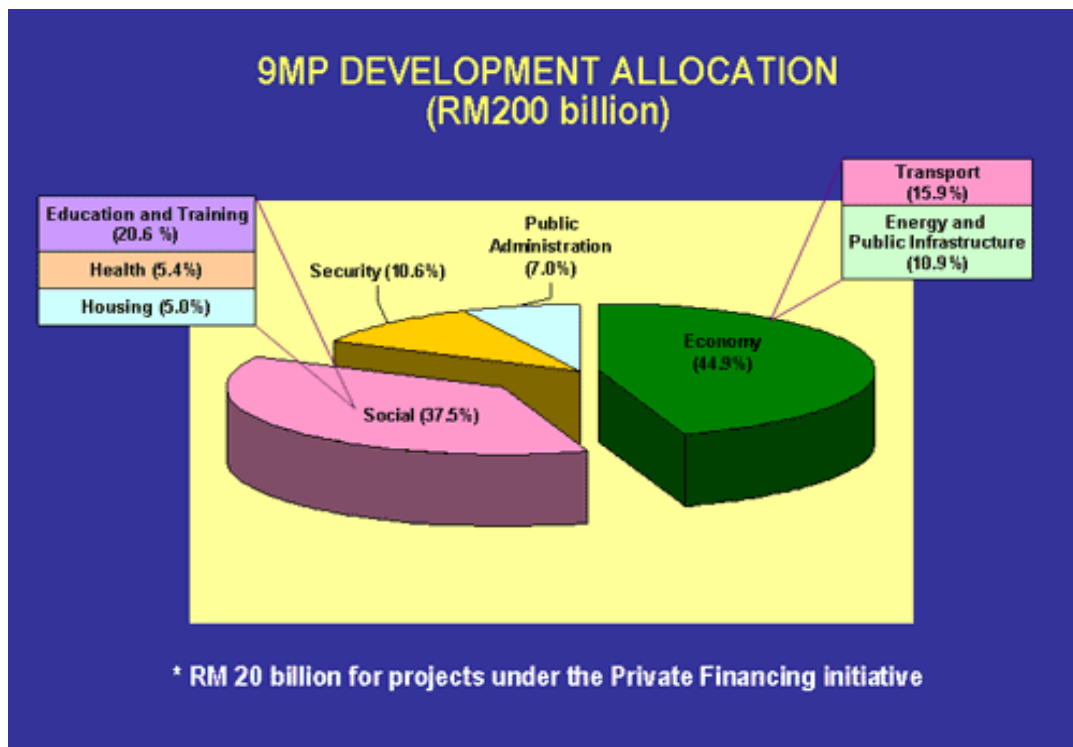


Figure 1: Ninth Malaysia Plan Development Allocation
Source: BERNAMA 2006

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