

Thesis Title : Preventive Measures on Accounting Fraud of Listed Company
in the Stock Exchange of Thailand

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ABSTRACT

This thesis examines the issue of accounting fraud of listed companies whereby financial statements are altered to attract investors with exaggerated financial status and performance. As an intentional or deliberate act of one or more persons who may be executives, employees or other individuals, this fraud involves withholding, edit, forgery or modification of memos or documents; wrongful use or embezzlement of company assets, withholding or negligence of transactions in memos or documents, recording of unsubstantiated transactions, as well as incorrect application of the accounting policy, resulting in falsified information in the financial statements, severe damages to domestic and foreign investors, and, the loss of their confidence in the financial statements and good corporate governance of listed companies.

The study has found the majority of cases in Thailand and foreign countries to have stemmed from the fraudulent intent of company executives, the inefficiency of the internal control system, and, the lack of good corporate governance in the areas of transparency concerning accounting system, preparation and presentation of financial statements, and, disclosure of company information. The integrity of financial consultant and audit companies is an issue as well as they play an important role in the disclosure of information on companies to be listed in the Stock Exchange. They experience lack of autonomy, undistributed concentration of consultancy and audit assignments, and, expenses incurred from lawsuits.

Given the above situation, it is the opinion of this researcher that Thailand should revise its laws and implement more actively and strictly preventive measures on accounting fraud of listed companies in the Stock Exchange of Thailand. Efforts should also be made to explore the possibility of using the Sarbanes-Oxley Act 2002 of the United States of America as a guideline for the resolution of the issue with listed companies in the Stock Exchange of Thailand. The objectives of the said law are to prevent accounting fraud, to penalize fraudulent companies, to ensure confidence in the penalization of fraudulent companies, and, to protect the interests of employees and shareholders as this law features improvements in the areas of correctness of financial statements, other information of listed companies and the performance of auditors to regain the confidence of all investors.

