

# EDITORIAL

Welcome to this edition of the Journal of Law and Financial Management (JLFM). Now in its 12th year, JLFM continues to provide a forum for the publication of research and analysis focused on the nexus of the general disciplinary areas of law (primarily business and commercial law) and financial management, encompassing all aspects of accounting and financial reporting, finance and financial economics.

In our first article, Nas Ahadiat focuses on the United States government's financial management system. The study identifies regulations designed for the improvement of the financial management of the agencies, examines the current state of their financial statements' audit and internal control and investigates the changes in internal control over the past few years. The study reveals that most agencies' systems contain significant internal control weaknesses. It highlights the need to develop a financial management system that is capable of producing reliable, consistent and comparable financial statements across the agencies.

Next, Nigel Finch, Khairil Faizal Khairi and Nur Hidayah Laili investigate the compliance level and disclosure quality of FRS 136 by the top 20 Shari'ah-approved companies in Bursa Malaysia. The study calculates the disclosure weighted index for each firm to differentiate the quality and importance of each mandatory disclosure under FRS 136. The results reveal that 65% of the companies do not comply with the requirements pertaining to goodwill impairment testing. For Malaysian practice to attain a truly international standard, the performance of these companies must improve. This paper will be of particular interest to practitioners in the area of accounting standard-setting and regulation.

Finally, Felicity Deane examines whether the assistance measures offered to entities under the Australian Clean Energy Package are subsidies under the law of the World Trade Organization. The study looks into the rules of the Agreement on Subsidies and Countervailing Measures to identify when a subsidy exists and the circumstances in which those subsidies occasion the use of remedies under the law. The analysis reveals that some subsidies introduced by the Clean Energy Package are either prohibited or actionable in the context of those rules and suggest that Australian legislators should make appropriate amendments to the Package assistance measures.

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