

CLIENTS UNFAZED

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Singapore office is run independently

By **LEE SU SHYAN**

AUDIT firm Andersen in Singapore has been fielding queries from clients about the collapse of American energy giant Enron — audited by Andersen in the United States — but clients have remained loyal after being told the firm here is an independent entity.

According to some local Andersen clients The Straits Times spoke to, one question they posed was the financial impact, if any, on Andersen's Singapore operations.

The US operations are under investigation by the US Securities and Exchange Commission but it is understood that clients have been told that the Singapore operation is independent of the US firm.

Andersen's Singapore business is believed to be a member of a Swiss-based entity Andersen Worldwide and would not be liable, for example, for any financial penalties imposed on the US business.

Other clients have asked more in-depth questions about the circumstances surrounding Enron's demise.

For example, they have asked about a US\$1.2 billion (S\$2.2 billion) reduction in shareholder equity as well as the alleged destruction of cer-

tain documents by Andersen personnel.

Andersen in Singapore declined to comment when contacted, referring all inquiries to the US firm.

The negative publicity does not seem to have fazed Andersen client Panpac Media.com.

The publisher's vice-chairman, Mr Chong Huai Seng, said: "We asked them what is happening when we met up. I don't think there will be any repercussions on the local firm."

Pinetree Town and Country Club member Steven Tan did not have any qualms about the quality of Andersen's work when he learnt the firm has been appointed special accountant to the beleaguered club as he felt that the local operations were "quite separate".

With the massive publicity, some reports have even suggested that the global firm may be swallowed up in a massive merger. But that has been dismissed by industry sources in Singapore.

A partner from a leading audit firm said: "I don't think there will be much impact. They may get more questions from audit committees, for example, but I don't think that will translate to the audit being put up for tender."