

Audit committee

Finance



The communication and review plan includes a formal process for finalizing and reporting the findings and recommendations of reviews and documenting arrangements for follow-up work. The arrangements for closing the project, and the outputs required, will be documented in the audit terms of reference and will follow a formal process and timetable. A reporting protocol covers the Structure and format of final reports, Arrangements for availability and publishing of final reports and regular and ad-hoc reporting to the Chief Executive Team and the Performance & Audit Committee.

Reviews will be approved by senior management and the audit element will be approved by the Performance and Audit Committee. Each review will have defined arrangements for closure. This will include any post evaluation and post implementation reviews required. Developing nations like India, China, and Mexico are gaining access to connected computing. The next generation of users represents a vast business opportunity for the computer industry. Intel is taking a leading role in identifying how technology can be applied in emerging markets—markets with very different needs than those in a typical Western country.

Capitalizing on that opportunity requires new products and services that meet the needs of emerging markets. Intel's successful technology products are focused on solving real-world needs. That requires suppliers to determine what their users really care about, the context in which they use technology, and the problems they are trying to solve using technology. Aided by traditional market research techniques such as surveys and focus groups helps identify trends and informs Intel about what computer users are doing.

Intel Corporation has a fiscal year that ends on the last Saturday in December.

Fiscal year 2001, a 52-week year, ended on December 29, 2001. Fiscal year 2000 was a 53-week year that ended on December 30, while 1999, a 52-week year, ended on December 25. The next 53-week year will end on December 31, 2005. In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." Beginning in the first quarter of fiscal 2002, the company will no longer amortize goodwill, but will perform impairment tests annually or earlier if indicators of potential impairment exist.

All other intangible assets continue to be amortized over their estimated useful lives. Based on acquisitions completed as of June 30, 2001, application of the goodwill non-amortization provisions is expected to result in a decrease in amortization of approximately \$1.6 billion for fiscal year 2002. Effective as of the beginning of 2001, Intel adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which requires the company to recognize all derivative instruments as either assets or liabilities on the balance sheet at fair value.

"The cumulative effect of the adoption of SFAS No. 133 was an increase in income before taxes of \$45 million, which is included in interest and other, net for 2001. The adoption did not have a material effect on other comprehensive income." (Intel, 2006) Highly liquid debt securities (Cash and cash equivalents) with insignificant interest rate risk and with original

maturities of three months or less are classified as cash and cash equivalents.

STRENGTHS, WEAKNESSES, MARKET CONCERNS AND REGULATORY ISSUES

In 2004, 75% of Intel's revenues originated from outside US, up 50% in five years. Processors designed for the mobile computing market segment increase more than 35% 2005. In high performance computing, Intel chip's power almost 66% of the world's fastest supercomputers. Internally, the company realizes improvement is needed regarding internal controls regarding implementation of new and existing requirements. However, Intel vulnerably appears in their stock position.

Second-quarter profit tumbled 57% on lower sales, as it faced increased competition and cut prices to clear out excess inventory. Last month, Intel rolled out new chip architecture in a bid to win back market share it lost in 2005 to AMD. The overhaul includes new chips for corporate servers, desktop and laptop computers. " The traditional regulatory structure relied on self-regulation by members, combined with general oversight by the Securities and Exchange Commission (SEC). " (Macey, 2005).

Intel has the choice of observing from afar or use their considerable influence to accelerate the process and direction of regulatory issues on the political, social and financial level. They will benefit. If they don't, the aggressive entrepreneurs will use the above tactic to legislate market share from the established companies to their favor.

REFERENCE(S)

<https://assignbuster.com/audit-committee/>

Red R. Samar, Publication Date: September 17, 2004, Intel Shifts Course on Microprocessors. Newspaper Title: Manila Bulletin.. Page Number: NA.

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